

A development near Kuala Lumpur, where rents have been falling.

Too Many Cra**nes** Spoil View of Malaysia Future Covernment Blance to Property Clut

By Thomas Palica

KUALA LUMPUR—A cary's retaility has offen been ganged in Asia by the number of construction craises dotting the skyline, and by that measure this city would seem to have one of the region's healthiest economies.

Long after construction sites in Bangkok and Jakanta went silent, the craines were still swinging in Knala Lumpur. Hotels, office buildings and condominations have continued to rise here, undged on by the government, which views the construction industry.

as vital in helping cushion the effects
of the regional economic crisis.

But today, real estate industry analysts say, the cranes are a sign that the government has ignored market signals and encouraged construction just as Malaysia faces a property glut. The government abolished a ruling this year that had discouraged banks from lending to the property sector.

the meethodie, said a consultant to longs, and Wootton, the global real estate company, who spoke on the condition of anonymity. The bubble is slowly bursting but it hasn't gone pop yet. The question that everyone

Policies split onlookers. Page 17.

is asking is, 'Who's got the money, and who's going to survive?' ''

To be sure, developers face a prickly dilemma when deciding if they should continue construction on a half-finished project in which they have

already invested millions of dollars.

The most severe glut is, perhaps, in the hotel industry. In the past 18 months, at least half a dozen four- and five star hotels have opened in Kuala Lumpar, including a Ritz-Carlton, Mandarin Oriental and Marnott.

See KL, Page 8

Mobs Attack Churches in Indonesia; 6 Are Killed

Religious Resentment Erupts Into Rioting Against Migrant Workers

> By Cindy Shiner Washington Post Service

JAKARTA — Muslim mobs killed six people Sunday and burned at least three churches in a riot here that initially appeared to be sparked by a dispute over a gambling hall and rumors that a mosque had been attacked.

Security forces fired shots in the air and lobbed tear gas to disperse the crowds, which ransacked the churches before setting them on fire. The Associated Press reported that five of the victims were migrants from the Indonesian island of Ambon. It was unclear where the other victim was from. His body was paraded through the streets on a cart.

a cart.

Dozens of people were reportedly injured, and local television stations said 10 people had been arrested.

The violence comes a little more than one week after at least 14 people were killed in anti-government demonstrations that at one point had pitted moderate Muslims against radical Islamic groups that had been hired by the military to help provide security during a special session of Parliament.

Most of the casualties in that unrest came from clashes between the military and student demonstrators. Several students were shot and killed, while other protesters were beaten to death.

Following the turmoil, rioting broke out in Jakarta's Chinatown district, and several shops were looted and burned. Bithnic Chinese, most of whom are Christian, are often targeted in Indonesia during times of political and economic turmoil.

While Chinese vigilantes gathered to protect their homes and shops Sunday evening, most of the violence appeared to have been aimed at Ambonese Christians. Ninety percent of Indonesians follow Islam. It is the world's largest Muslim country but has a secular government and a usually tolerant religious amosphere.

Recent political strife and a devastating economic crisis have inflamed long-simmering ethnic and religious re-

A recent spate of mysterious killings of Muslim clerics and suspected black magic practitioners on the main island of Java triggered retribution killings and unleashed a wave of panic and scapegoating that led to the deaths of dozens of people. Many of them were killed by neighbors who cited witchcraft as an excuse to exact revenge for a number of

communal grievances.

Amid the recent unrest, the government of President B.J. Habibie has pledged that it is laying the groundwork

See JAKARTA, Page 6



An Indonesian soldier walking away from burning pews in front of a Roman Catholic church Sunday in Jakarta. Six people died in the violence.

UN Inspectors in Iraq See Little Chance of Success

Latest Standoff Involves Demand for Documents

By Barton Gellman

UNITED NATIONS, New York—Confronted by renewed Iraqi defiance, UN arms inspectors say they see little prospect of achieving the results that Washington has been promising in the standoff with Iraq since a military strike was barely averted a little more than a

While routine monitoring visits at Iraqi sites were conducted last week and again Saturday, it will be weeks before the UN Special Commission, or Unscom, can plan and execute its first challenge inspections — and much longer before it regains the scent of forbidden weapons after a four-month hiatus, inspectors said.

Meanwhile, Iraq's defenders in the Security Council are preparing an inquiry that will dissect and perhaps limit Unscom's work.

Baghdad provided a new test of the inspectors' authority Friday when a junior Foreign Ministry official notified the chief inspector, Richard Butler, that

Unscom's requests for disputed weapons documents were "provocative rather-than professional," and then dismissed or deflected the queries.

(In Baghdad, the foreign minister, Mohammed Said Sahhaf, said Sunday that UN arms inspectors were asking the "impossible" of Iraq in demanding more documents, Agence France-Presse reported. "We have handed over all, all available documents" he said, adding that it was a tactic to create obstacles to

lifting eight-year-old UN sanctions.

[Mr. Sahhaf added that Iraq had already handed over 2.5 million documents on its proscribed weapons and that the commission was barraging Iraq with demands for "imaginary documents."

Deputy Prime Minister Tareq Aziz accused Mr. Butler on Sunday of seeking to undermine a promised Security Council review of Iraqi compliance with UN resolutions.

[But the U.S. national security adviser, Samuel Berger, accompanying

See IRAQ, Page 8

Urging Shift By NATO, Germany Angers U.S.

Leftist Coalition Seeks A No-First-Use Policy On Nuclear Weapons

By William Drozdiak
Washington Post Service

BERLIN — Germany's new governing alliance of Social Democrats and Greens is confronting its first serious clash with the United States by demanding that NATO break a hallowed strategic doctrine and adopt a no-first-

strategic doctrine and adopt a no-first-use policy regarding nuclear weapons.

Chancellor Gerhard Schroeder's government will insist that a new strategic concept, to be unveiled at NATO's 50th anniversary summit conference in Washington in April, should foreclose the option of resorting to nuclear weapons before any foe. The change in deterrence strategy, German officials said Sunday, is being sought as proof that Western powers are serious about moving toward nuclear disarmament.

ing toward nuclear disarmament.

The German demand has shocked and angered the Clinton administration, which was recently assured that the new left-leaning coalition would maintain continuity in Bonn's foreign and security policies. U.S. officials warned that such a dramatic shift in deterrence strategy—one that has kept the nuclear peace for over half a century—could gravely undermine faith in the military commitments of the North Atlantic

Treaty Organization.

But German officials say that fundamental changes in NATO's nuclear doctrine are long overdue now that the Soviet threat has vanished. They contend that bold initiatives such as a nofirst-use pledge are necessary to dissuade other nations from pursuing nuclear weapons and to encourage so-called threshold powers such as India and Pakistan from renouncing any recourse to arms of mass destruction.

course to arms of mass destruction.

"I have signaled to NATO Secretary-General Javier Solana that we want to talk about this, because we see things differently." Foreign Minister Joschka Fischer told the newsmagazine Der Spiegel. "We must discuss it openly in the alliance without creating the impression that Germany is going its own

The no-first-use pledge was enshrined in the governing program of the Social Democrats and Greens after they ousted the conservative alliance led by former Chancellor Helmut Kohl in national elections in September. Both parties have crusaded for nuclear disarmament in the past, but they played down the issue before the elections to avoid arousing controversy among Germany's allies.

Two weeks ago, Germany stunned the United States, Britain, and France—NATO's three nuclear powers—by breaking ranks and abstaining on a motion on nuclear disarmament put for-

See NATO, Page 8

Clinton Raises Heat on North Korea

Visiting Hesitant South, He Demands Dismantling of Arms Programs

By Don Kirk
International Herald Tribune

OSAN AIR FORCE BASE, South Korea — President Bill Clinton pledged a tough policy against North Korea in a nousing finale Sunday to a weekend dedicated in large part to bolstering a South Korean government that has seemed inclined to go easy on the North.

clined to go easy on the North.

The president, addressing several thousand U.S. troops at this base near Scoul, declared that North Korea had to stop developing nuclear arms as well as a tange of nonnuclear weapons.

The Clinton's remarks, given the set-

ting and the timing, appeared as one of the strongest challenges so far to North Korea, which is suspected of having resumed nuclear weapons development in an underground site spotted on U.S. satellite images three months ago. "North Korea must maintain its.

freeze on and move ahead to dismantle its nuclear weapons program," Mr. Clinton, standing in front of two air force fighter planes, told the troops. "It must comply with its obligations under the Nuclear Nonproliferation Treaty. It must halt its efforts to develop and proliferate chemical and biological weapons and baltistic missiles."

Mr. Clinton's remarks seemed considerably stronger than his comments at a joint press conference Saturday with President Kim Dae Jung of South Korea, who has enunciated a "sunshine policy" of "engagement" with the North, highlighted by efforts at widening contacts through trade and talks.

Mr. Clinton and Mr. Kim, after a two-

Mr. Clinton and Mr. Kirn, after a twohour meeting that also touched on South Korea's efforts at recovering from economic crisis, appeared almost entirely in agreement as they stood side by side in the Blue House, the center of pres-

See CLINTON, Page 6

Middle Class Feels The Pain in Korea

The distress of Kim Myung Yun, a former well-paid, white-collar employee who has been reduced by memployment to hawking hats on the streets of Seoul, is illustrative of the pain the middle class is experiencing during the South Korean economic downturn. "I feel guilty when I look at my family," he says. "A father has certain responsibilities. A man has certain responsibilities." Page 2.



AGENDA

Rail Strike in 6 EU Nations Gets Started

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Murder of Reformer Shocks St. Petersburg

The killing in St. Petersburg of Galina Starovoitova, 52, a leading liberal politician and tireless defender of Russia's democratic reforms shocked her allies, who claimed she was a victim of the country's corrupt political climate. She was a close associate of President Boris Yeltsin, who has sent top law-enforcement officials to investigate. Page 8.

BRUSSELS (Reuters) — The strike planned by rail workers in Belgium, France, Spain, Portugal, Italy and Greece began Sunday night and was to continue until Tuesday morning. The workers are protesting the recommendation of the European Commission that governments in the 15-nation union should open 5 percent of their rail sector to competition immediately, rising to 25 percent in 10 years.

Rail unions also planned publicity campaigns in Germany, Britain and the Netherlands opposing the liberalization plans. The Eurostar shuttle between Paris and London will run normally, however.

The EU transport commissioner, Neil Kinnock, defended the executive body's proposed plans. "Our reforms are about creating the competitive conditions in which rail can prosper and flourish," he said.

Merger Fever Haunts Traders In Takeover of Bankers Trust

By Timothy L. O'Brien
New York Times Service

NEW YORK — As the board of Bankers Trust Corp. met Sunday to vote on the sale of the bank to Deutsche Bank AG of Germany for about \$9 billion, Wall Street was rife with speculation about whether a new round of megamergers and takeover is at hand.

The expected deal which would be

The expected deal, which would be the biggest takeover of a U.S. financial institution by a foreign bank, is another example of how economic globalization is forcing companies to form once unthinkable cross-border alliances.

"Companies are playing in a global space now," said David Berry, an analyst with Keefe, Bruyette & Woods Inc. "And to be in the business of financing multinational corporations, you need to have a global presence, and you need to be in the U.S. because that's where the money and the talent are."

But analysts and bank advisers said banking executives were not rushing to cut deals like the huge mergers and takeovers of other financial-services giants completed in the last year. Lower stock prices and an uncertain economic landscape are still combining to dampen merger fever.

merger fever.

"In many respects Bankers Trust is a unique case, and there aren't a lot of other big buyers out there," said Charles Peabody, an analyst with Mitchell Securities Inc. in New York. In its deal for Bankers Trust, Deutsche Bank is clearly being driven

See BANKS, Page 8

President's Luck Holds on Impeachment

By John M. Broder

WASHINGTON — A senior White House official, surveying the events of the past week, sighed in relief and quoted Winston Churchill on his ex-

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perience in the Boer War. "Nothing in life is so exhibit at without result."

without result."
Good fortune continued to shine on President Bill Clinton last week, and on Sunday further signs emerged that law-makers' appetite for impeachment was fading in favor of a rebuke or censure.

Kenneth Starr, the independent counsel, spent 12 hours before the House Indiciary Committee on Thursday and produced no new revelations of presidential vice. Democrats on the committee said Mr. Starr's most newsworthy statement was that he had found no evidence of impeachable offenses in the dismissal of White House travel office employees and the retrieval of

PBI files.

And on Friday, Samuel Dash, the independent counsel's ethics adviser, resigned, saying that Mr. Starr had abased his authority by appearing before the House panel to advocate the impeachment of the president.

Mr. Clinton has dodged yet another bullet. With new confidence, Mr. Clinton aides are calling for a rapid end to the impeachment inquiry and to the Monica Lewinsky investigation that spawned it.

"Let's wrap it up," said Paul Begala,

"Let's wrap it up," said Paul Begala, a senior. White House political connscior. "The people, the Congress and the vast bulk of constitutional scholars all believe there are no impeachable offenses here."

As the week ended, White House

As the week ended, White House officials were counting votes and trying to read minds on Capitol Hill, looking for a way to short-circuit the impeachment process. Top White House aides opened lines of communication to Republicans in the House, possibly as a prelude to a negotiated way out of the impeachment mess.

The optimists in the Clinton camp

See PANEL, Page 6

From Man in a Suit to Man on a Curb in South Korea's Crisis

By Kevin Sullivan Washington Post Service

NSAN, South Korea - Two men on bicycles pedal up. Kim Myung Yun hops up from the curb, takes a deep breath, pulls his hands out of his pockets and musters a decent "Kookyungha-seyo!"—"Please take a look!"

It's almost noon, and there hasn't been a customer for hours. Mr. Kim feels more like a fire hydrant than a hat vendor, so he's fidgety when one of the bicyclists picks up a New York Yankees cap and checks himself out in the sideview mirror of Mr. Kim's car.

"I look good in hats," he says. "That's because they cover your face," his friend shoots back.

Mr. Kim laughs with them and re-laxes a bit. Still, for a guy who was a white-collar manager making \$40,000 a year until he was laid off five months ago, in the midst of the continuing South Korean economic crisis, it's tough to work this hard for a \$4 sale.

Hours later, long after dark on a 14-hour workday that started before dawn, Mr. Kim packs up and heads for the hourlong train ride home. He sold the Yankees cap and one other all day. Subtracting his train fare, that gives him a profit of 25 cents.

At home late at night, Mr. Kim, 39, sits at his kitchen table beneath a

tapestry of the Last Supper on the wall, in the glow of a single neon light overhead, drinking a cup of milk. His wife won't be home from work for at least another hour. His two young daughters are doing their homework in

their bedroom, so he keeps his voice down.
"I feel guilty when I look at my family," he says, through eyes wet with tears. "A father has certain responsibilities. A man has certain responsibilities. In my heart I want to give my wife and my daughters everything, but I can't make anything work out."

If there is joy in this house, it comes from a

Kim Eun Joo, 12, sets up her purple music stand in the kitchen, in the narrow space between the refrigerator and the stove. She puts her long black hair up in a ponytail, tucks her violin tightly under her chin and begins playing it with a bow half as tall as she is.

Staring hard at the somber Bach piece before her, Eun Joo plays with long, smooth strokes of the bow, which leaves a dusting of white rosin on her instrument, as though someone had sprinkled it with confectioners' sugar. The fingers of her left hand tickle and tweak the violin's neck. Close your eyes and it could be a professional; open them and see the chipped red nail polish of

a young girl's hands. As music fills this tiny three-room apartment, the first floor of a two-story brick building in Seoul, her father stares into space through a pile of pois next to the sink. He seems to know each note of a piece he's heard practiced a thousand times. In a day spent hawking hats to strangers,

Enn Joo finishes, bows deeply and says, "Kamsahamnida" — "Thank you. "I am so proud of you," her father says sliding his arm around her waist.

Mr. Kim and his wife have refused to give up Eun Joo's violin lessons, which cost about \$460 a month, a sum they really can't afford when surviving mainly on a \$750 monthly unemployment benefit that runs out in December.



Kim Myung Yun with his family in Seoul. The former insurance executive lost his \$40,000a-year job and is now selling baseball caps from a car he calls the Hat Department Store.'

They already have cut plano lessons for their younger daughter, Eun Hae, 9, whose tastes run more to sports than symphonies. But Eun Joo shows uncommon promise as a musician, and her parents refuse to accept, so far, at least, that the nation's economic crisis might steal her future. They think if it takes that, it has taken

The family has cut the phone service at home. They want to sell their 10-year-old Daewoo car, but they would have to pay about \$500 in parking tickets first, and that's probably more than the car is worth.

Mr. Kim lost his medical insurance when he lost his job. The family now pays a small monthly fee for bare-minimum coverage. But when his wife, Moon Mi Ya, fell down some stairs recently and required stitches on her head and chin, the family had to pay the \$380 in doctor's bills. Still, the music comes first.

'Eun Joo prays to God every night that she can go to the United States to study at a music college," Miss Moon says. "I don't want to break her heart, but one day I will have to tell her that she will never be able to do that.

"I can take twice this much pain, but I can't take it when it hurts my children.'

HIS IS the pain hidden behind the doors of hundreds of thousands of South Korean homes as families cope with the country's worst economic crisis in nearly half a century. Mr. Kim and his family are not the newly homeless beggars staring back from the s of magazines. They are not the poor driven deeper into poverty by the crisis. It's hard to tell from the outside that their lives have been shattered. But the pain in this middle-class home is the ache South Korea will feel long after the

economists declare "recovery" and move on. For the first time in a year, the stock market is moving upward and foreign investment is trickling in. But hope is not always comfort, and a spark on the trading floors doesn't warm Mr.

Kim's feet on these cold autumn mornings. Mr. Kim knows the catch: Too many companies here gave too many people employment for life, so they are "recovering" by shedding thousands of middle managers like him. Even the optimistic government says unemployment will continue to climb to almost 9 percent by next spring — four

times what it was a year ago.

Despite a college education and 14 years' experience in insurance, Mr. Kim is considered too old and too inexperienced in high-tech skills to be attractive to most companies here. Construction workers can go back to plastering walls and installing plumbing when South Korea starts growing again. But soft-palmed managers such as Mr. Kim, many of them the first generation in their families to trade rice paddies for an office building, fret that they could be the most permanent casualty of the Asian financial crisis.

'The more time you have to think, the harder it is,'' Mr. Kim says. In Ansan, a suburb of Seoul, rap music pounds from speakers just outside the Hot People clothes boutique. Businessmen with black briefcases stride by in a hurry, and well-dressed women on

their way to the shops clickety-clack past, all avoiding a glance at Mr. Kim, who is sitting on the dirty curb with his head down.

Mr. Kim used to be one of them: Sales chief at a big insurance company, he was management, a suit, a comfortably middle-class provider for his family. But since his company laid off 76 workers at the end of June, he has ended up here, reading the want ads next to a noxious sewer manhole, waiting for someone to stop and shop

at his "Hat Department Store." The "store" is his brother-in-law's car, parked on the sidewalk and covered with green mesh netting. His hat display hangs on clothes-pins hooked into the mesh — dozens of baseball caps, ski hats with pompoms, berets. Each time Mr. Kim sells one, he and his brother-in-law split

the \$1.50 profit. Mr. Kim says he visited several vendors in

Seoul and asked them what sells best. They told him hats are cheap and sell-well, so he and his brother-in-law well, so he and his hrother-in-law pooled some money and bought 100. But the way things are going with hats, it might be time to try something else maybe fruit, they think.

"There isn't anything I haven't thought of trying," says Mr. Kim, who already has sold shoes and water filters door to door and here rejected by con-

door-to-door and been rejected by construction foremen because of his slight stature. "I can't even count how many companies I called and went to. I have been working for an insurance company for so long, I don't know what else to do. It isn't like I just want a job where I can wear a suit. I'll take anything."

Mr. Kim's situation is so common in South Korea that everyone recognizes it and sympathizes — sometimes even the police. His hatmobile is parked illegally, and Mr. Kim can't afford the permit required to be a legal sidewalk vendor. On his first day here, he pleaded his situation to the officers who threatened to tow the car away. They still come by each day and tell him to move. But he never does, and they never

do anything about it. It's easy to tell the newly unemployed amateurs from the people who have been on the streets all their life. The guy selling rubber gloves from a cardboard box on the subway, shouting and laugh-ing and cajoling and charming the housewives with promises of no more

dishpan hands - he's too good at it to be a laidoff accountant or engineer forced into the streets. But Mr. Kim, with his downcast eyes, soft voice and nervous smile - you'd trust him with your insurance portfolio, but you'd never hire him to run a garage sale.

"At first it was difficult for me to say anything to the people who came by, but I have to adapt to my new life," he says.

E ADMITS he has no plan for when the unemployment checks stop around-Christmas. He knows his prospects of finding work are no better than himdreds of thousands of other men looking for jobs. He feels too "emotionally unstable" to think

"The reality now is so tough," he says, "I don't en want to think about one year from now." Moon Mi Ya named her beauty salon "Noel," because her father told her it evoked Christmas and peace in English. It's one brightly litroom up two flights of rickety stairs in the middle of noisy

Once a week Miss Moon gets up before dawn to hand out fliers at the subway station. She hates doing it, but it works: The six chairs are filled with

yuppie men having their brush cuts shortened and working women having their hair straightened.

'Thirty-nine is an age when you should beworking,' she says. "My husband was the chief salesman. He was the flower of the company, then it was all taken away from him in one day: My husband feels guilty and so sorry. He keeps ing, 'I'm sorry, I'm sorry.' But it's worse when we feel sorry for him.

She says Mr. Kim comes home late at night, exhausted, legs aching and hoarse from calling to customers on the street. He's lost a lot of weight, and he can sleep only a few hours a night from worry. "When I look at him sleeping, I can't help but cry," his wife says. "It's so hard to see someone I love, someone who works so hard and was so successful, in so much pain."

In Romania, Poland and Italy, Freezing Weather Kills

ROME - Cold weather engulfed much of Europe over the weekend claiming lives in Italy, Poland and Ro-

Mount Vesuvius in Naples, brought on by a cold snap that hit parts of Italy with the coldest temperatures in 10 years. Three people died in freezing temperatures in Italy, while two others is a constant.

ing in a Rome apartment died of the leaking from their emergency heater. Heavy snow also fell in Italy's northem mountains, compounding the suf-fering of hundreds still living in tem-porary housing after losing their homes last year in the devastating earthquake in the Umbria and Marche regions.

As many as 40 centimeters (16 inches) of snow fell in Umbria. The police in Poland said Sunday that at least 23 people had frozen to death during the week as temperatures plunged to minus 26 degrees centigrade (minus 15 degrees Fahrenheit). Mostuf the victims were men aged 40 to 60 who had been drinking and fell askeep in the

cold, a police spokesman said.

As many as 200 lives were saved by special police patrols that picked in-ebriated people off the streets and drove them to shelters to sober up.

In Romania, road and rail trafficates paralyzed in the south and east of the country after 24 hours of constant snowfall, the Transport Ministry said. Officials said that 17 people died and at least 49 were injured, many from frostbite, as the snow continued to fall Sun-day. (AFP AP Renterno!

■ Lee Foils Russian Oil Shipment

Thick ice has again foiled attempts by a nuclear-powered icebreaker to force a passage through to the Chukotski Peninsula so an oil tanker can ferry in urgently needed fuel supplies, Agence France-Presse reported Sunday from

The vessels are stranded about 130 kilometers (80 miles) from the villages of Pevek and Mys Shmidta, where residents are without fuel in subfreezing temperatures, the Itar-Tass news agency reported.

But despite the best efforts of the Sovietsky Soyuz, the most powerful icebreaker in the world, efforts to carve a path through to the area have failed Officials said the channel cleared the icebreaker had closed over with one meter (three feet) of ice.

The tanker is loaded with 12,000 met-

ric tons of fuel for the peninsula, which did not receive its faci supplies on time because of the exceptional cold conditions this year and Russia's fina crisis. Regional authorities appealed to Moscow for help this month, saying the situation was life-threatening for the 4,500 residents of the peninsu

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By the end of November, the frozen Arctic Ocean surrounding the peninsula prevents icebreakers from getting through, and ships must wait until the summer to reach ports in the far northeast.

U.S. Airline Deal Takes Off Amid Suit

By Frank Swoboda Washington Post Service

WASHINGTON - Northwest Airlines Corp. and Continental Airlines Inc. have completed a "virtual merger" that effectively creates the secondlargest U.S. airline, despite a government lawsuit to block the plan.

The action late Friday represents the biggest step so far in a trend toward alliances between major airlines as they seek to bolster profits and dominate routes. The new alliance links a variety of services ranging from frequent-flier programs to reservation codes that allow a passenger to buy a single ticket for a trip using both airlines.

Delta Air Lines Inc. and United Air Lines Inc., and USAirways Inc. and American Airlines Inc. also have formed marketing alliances, but neither destabilize the deal. goes as far as the Northwest-Continen-Joel Klein, the top tal arrangement, which involved a stock

It is the stock purchase that concerns the Clinton administration. The Justice Department filed suit Oct. 24 to block the alliance because of a provision that allowed Northwest to purchase 14 percent of Continental's common stock and 51 percent of the voting power in Continental. The airlines said the stock would be held in trust for 10 years to

The stock was sold by the financier, David Bonderman, who had purchased the shares as an investment in 1993. Officials at Northwest and Continental said they were afraid Mr. Bonderman would sell his shares to an outsider and

satisfy government objections to the

Joel Klein, the top antitrust official at the department, said at the time the government filed the lawsuit that it believed the alliance "would lead to higher ticket prices and worse service for the 4 million passengers on routes dom-

inated by the two airlines." The lawsuit addressed only the stock purchase issue, and the department said it was reserving judgment on the un-derlying issue of the alliance pending further study.

The Justice Department spokeswornan, Gina Talamôna, said Friday that 'nothing we have heard" in terms of the airlines' action "changes our view that this transaction is anti-competitive. We're moving ahead with our lawsuit, and if we prevail, the parties will have to sell the stock."

Demonstrations Drive Americans Out of Iran

Agence France-Presse TEHRAN — A group of visiting Americans accused of being U.S. spies came under attack Saturday from Is-

lamic fundamentalists opposed to any reconciliation with the United States, the newspaper Kayhan reported Sunday. Chanting "Death to America," demonstrators smashed the windows of the Americans' vehicle near a hotel in

northern Tehran where they had been staving. None of the occupants was hurt, Kayhan said. A senior Iranian official later went to the hotel to apologize to the 13 Amer-

icans and to take them to lunch, the newspaper reported. But the group decided to cut its trip short and left Tehran for Washington on Saturday night, newspapers said.

Wiring From Swissair Jet Shows **Evidence of Sparks Before Crash**

HALIFAX, Nova Scotia - The Canadian anthorities investigating the Sept. 2 crash of a Swissair flight say they have evidence that the jet's electrical system generated sparks before

The Canadian Transportation Safety Board said an examination of wiring from the McDonnell Douglas MD-11 showed that "electrical arcing" had oc-

The safety board also said that it had bits of aluminum debris from parts of the jet's front section, just behind the cockpit, that had melted under intense heat. Those pieces were not far from wiring linked to individual entertainment systems installed on the plane, the agency said.

WEATHER

"There was some source of heat in the forward area of the aircraft," said Vic-Gerden, the chief investigator. There was no evidence any of the jet's three engines had malfunctioned, he said. A U.S. itvestigator, Vernon Grose, said the evidence tended "to confirm that they had a fire in the aircraft and not just smoke." Swissair Flight 111 crashed into the

Atlantic Ocean off the coast of Nova Scotia, Canada, while en route froth New York to Geneva. Ali 229 people aboard were killed.

The pilot, in emergency calls and conversations with air traffic of lers, spoke of fire in the cockons linvestigators said on Sept. 8 that they had found heat stress on wreckage that appeared to have come from the cockpil.

Asia

TRAVEL UPDATE

France Braces for Strike

PARIS (Combined Dispatches) — On the eve of the Europe-wide rail strike, travelers in France braced for disruptions that were to slow train traffic across the country beginning Sunday evening. The national train company, the SNCF,

said that France would be heavily affected by the European strike on Monday, when railway workers in six countries were to protest liberalization plans.

The SNCF said that 280 of 680 normally scheduled trains would be operating Monday in the northeast of France and that connections to western France would also be severely disrupted. While the Eurostar fices will be closed or services TGV link between Paris and London will curtailed in the following counrun as scheduled, passengers using the tries and their dependencies this Eurostar service from Lille to Brussels will week because of national and re-

Paris or Lille to Brussels, Amsterdam and

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Britons made a record 46 million trips overseas in 1997, a 9 percent increase from 1996 and the highest growth rate for five years, the Office for National Statistics said. France was the British traveler's favorite destination, with 11.1 million visiting the country.

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This Week's Holidays

Banking and government oftries and their dependencies this be transferred to buses as well as those

> WEDNESDAY: Bossis-Her THURSDAY: Mongolia, Puento

co, United States, Virgin Islands. FRIDAY: Bahram, Bangladesh, Egyps, el, Oman, Sandi Arabia. SATURDAY: Albania, Chad. Man-

ligious holidays: MONDAY: Georgia, Japan

SUNDAY: Albania, Yugoslavia. ources: J.P. Morgan, Bloomberg, Reuters.

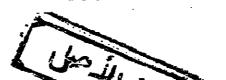
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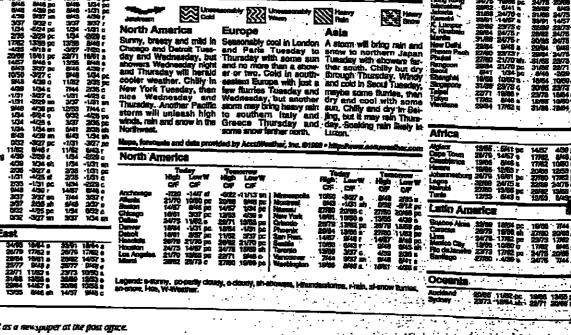
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Middle East





POLITICAL NOTES

Target Walley

THE AMERICAS

Clinton Leaves Question of Punishment To Congress

By James Bennet New York Times Service

SEOUL - In his most extensive remarks in weeks about the scandal shadowing his presidency, President Bill Clinton said with a sad smile that he was still suffering privately over his affair with Monica Lewinsky, but that his

with Monica Lewinsky, but that his political punishment was strictly up to Congress.

For me, this long ago ceased to be a political issue or a legal issue and be came a personal one. Mr. Clinton said.

And every day I do my best to put it right, personally.

He spoke in answer to a question about whether Congress should punish his behavior, during an appearance be-

his behavior, during an appearance be-fore reporters with President Kim Dae Jung of South Korea.

. Mr. Clinton smiled at first and suggested that he felt plenty punished already. "There has been a lot of suffering," he said. "That is different from punishment, although it's hard to see the difference sometimes as you're going "fhrough it."

But the smile faded as Mr. Clinton said that it was "not appropriate at this time" for him to express an opinion on how Congress should act. The House Judiciary Committee opened impeach-int hearings last week into charges that Mr. Clinton committed perjury and obstructed justice in hiding his affair.

Tirust the American people," the president said, "and I hope Congress, will do the right thing in a nompolitical

way, if you will, to get beyond the partisanship and go on."

The White House has argued that Mr. Clinton should not be impeached for the offenses spelled out in a report to Congress by the independent counsel Kenneth Starr. Joe Lockhart, Mr. Clinton's spokesman, said the president inter-preted the question Saturday to refer not to impeachment but to some interme-

diate measure, such as censure. ... Mr. Lockhart said that while it was proper for the White House to resist impeachment, it would be wrong for it "to be in a position of trying to prescribe" a punishment short of that.

U.S. Dismantles against the president may well constitute violations of the law, he said, "I do not believe they are impeachable offenses commandle to treason or believe." Smuggling Ring commandle to treason or believe, in the said, "I do not believe they are impeachable offenses commandle to treason or believe, in the said, "I do not believe they are impeachable offenses." Alternative and the said of the sa That Marketed Indian Workers the president While Republicans are troubled by Wislespread Voter disapproval of their Wislespread Voter disapproval of their

By William Branigio Washington Post Service

WASHINGTON - In the largest such case in U.S. history, federal agents have dismantled a global immigrant-smuggling operation that brought as many as 12,000 people, most of them Indians, into the United States over a liree-year period at the behest of employers who placed orders with the ring for cheap, compliant workers.

Most of the illegal immigrants were smuggled in through Moscow and Cuba by a ring that operated on four continents and amassed more than \$200 million in smuggling fees.

3e fore!

Although the Immigration and Nat-uralization Service described the ring as the largest, most complex and sophisticated that investigators have ever encountered, officials said its operations accounted for only a fraction of the hundreds of thousands of illegal immigrants smuggled into the United States each year. An estimated 275,000 illegal aliens settle in the United States

annually. Since Nov. 14, immigration agents have irrested 21 suspects in five states, Puerto Rico and the Bahamas, culminating a yearlong investigation in which the agency for the first time used federal wiretapping authority granted under the picked up were two of the three alleged ringleaders — all Indians who led high-rolling lifestyles with residences in Lontion, the Bahamas or Quito, Ecuador: The third suspected ringleader is be-

lieved to be in India, officials said. The three are among 31 defendants who were charged with various counts alien smuggling, conspiracy and money laundering in three indictments that were unsealed Friday in Dallas, where the case will be prosecuted. Ten suspects are still at large:

The ring snanggled mostly Indians, but also collected people from such countries as Pakistan, Syria and Afghanistan. immigration officials said the case

marked the first time that a major aliensmuggling operation has been completely taken down - from the kingpins who run the operations from overseas havens to the smugglers who move the immigrants into the United States to the moneylaunderers who transfer the proceeds.

"Our goal was to dismantle these flesh cartels from top to bottom," said Paul Coggins, the U.S. attorney in Dallas. He vowed to "attack them as vig-

resource say a state of the sta second phase of the investigation would target employers, who could face "crim-inal, civil and administrative penalties if

they knowingly hired illegal aliens.

The ring charged size illegal manigrants \$20,000 in \$28,000 cach to be savingled into the United States.



WELCOME TO HAITI - President Rene Preval and his wife, right, greeting Hillary Clinton in Port au Prince on Saturday during the first lady's last stop of her seven-day tour of Central America and the Caribbean,

Many in House Cool on Impeachment

By Eric Pianin and Helen Dewar Washington Post Service

WASHINGTON — Even as Republicans on the House Judiciary Committee push for articles of impeachment against President Bill Clinton for lying about his relationship with Monica Lewinsky, most other House Republicans appear torn by the decision or eager to find a way out of the thicket.

Dozens of interviews with House Republicans conducted during and after the testimony by the independent connsel Kenneth Starr revealed little enthusiasm for a protracted impeachment battle with Mr. Clinton.

What's more, a few Republicans have begun speaking out against impeaching the president, which could enhance prospects that Congress will seek a facesaving alternative - such as censure to end the year-long political crisis.

"I'm very certain there are not enough votes to impeach the president," said Representative Peter King, Republican of New York. While the allegations

majority needed to convict and remove

party's handling of the impeachment proceedings, many also fear that Mr. Clinton might go unpunished unless an alternative sanction is found. And some iswmakers appear genuinely conflicted over whether the president's conduct

merits removing him from office.
"I want to hear why these offenses are impeachable," said Representative Jack Kingston, Republican of Georgia. "I think that's going to be the case with lots of members. I'm not 100 percent convinced they are impeachable. I want

Mr. Starr's 12 hours of testimony Thursday may have emboldened Republican members of the Judiciary Committee in their drive for impeachment, but other House Republicans are far more divided about the wisdom of

that approach. There was little discernible evidence

New York Times Service NEW YORK - Yefim Geller, 73, a

Ukrainian-born grand master of chess,

whose penetrating technical analysis, in-

spired innovations and brilliant play helped the former Soviet Union almost

totally dominate the game internationally for decades, died Tuesday in Mos-

cow after a long series of illnesses.

It may seem surprising that a man who never won a world championship and whose most memorable public role was serving as Boris 72 world championship accord in his 1972 world championship

loss to Bobby Fischer, should be such a

revered figure in chess circles.

But if Mr. Geller failed to achieve

ultimate headline success, he was a

feared attacker and discovered many in-

novations in venerable openings. Much

of his strategy was revealed in his book,

Making his major tournament debut

The Application of Chess Theory."

in the 1949 Soviet championships, he led

until a final-round loss dropped him to a

tie for third, but his showing catapulted

him into the top rank of Soviet players.

In time Mr. Geller learned to mod-

erate his fervor for attack, but it is a communing tribute to his youthful daring

that in winning his first Soviet cham-

pionship in 1955 he became the only Soviet champion who has ever won the title while losing five games.

sher, 82, who built Kutsher's Country

Club into one of the leading resorts in

the Catskill Mountains and kept it suc-

cessful even as many other top hotels in

Milton Kutsher, 82, Hotelier NEW YORK (NYT) - Milton Kut-

 while deemed impressive by ana, a leader among the House
 had much impact in changing conservative activists, and Jack Quinn many - had much impact in changing minds. And even some conservatives who have criticized the president were musing about finding creative alternatives out of the crisis.

of New York - have also said they

would oppose impeachment based on

the president is running out of gas," Mr.

The Senate presents even more for-midable obstacles. Republicans hold 55

seats, 12 short of the 67 votes required

and some Republicans have indicated

censure and a proposal by Senator Arlen Specter, Republican of Pennsylvania, to

drop impeachment in favor of possible

criminal prosecution when Mr. Clinton

leaves office, most senators are inclined

to keep their own counsel until the full

The chairman of the Senate Judiciary

Committee, Orrin Hatch of Utah, pre-

dicted in an interview Friday that the House would impeach Mr. Clinton but

said the Senate was unlikely to go

through the "ordeal" of a trial unless the House vote were "significantly"

But, aside from private discussions of

for conviction if all senators are present

support for a lesser sanction.

House votes on the issue.

"I believe that the interest to impeach

the current evidence.

Quinn said recently.

Representative David McIntosh of Indiana, the leader of the House Republicans' conservative caucus, said he is intrigued by the idea of impeaching and convicting the president for lying about the Lewinsky matter and obstructing justice, but allowing him to complete his term with the proviso that he could never again hold public office.

"I don't think the constitution provides for censure," he said. "It would establish a bad precedent and weaken our form of government. I do think we have to do our duty and determine whether high crimes and misdemeanors were committed. And I think Starr provided very strong evidence of the crimes and obstruction of justice."

Five Republicans, including senior members of the Appropriations and Budget committees and a prominent conservative activist, have said they will vote "no" should the House Judiciary Committee deliver articles of impeachment next month.

A handful of other moderates have which is their separation that the Sein impeachment but are not yet ready to rate is unlikely to master the two-thirds make that stance public.

Some members suggested that as many as 20 Republicans were ready to oppose impeachment. Because the Republicans hold a fragile 16-vote majority in the current Congress and the Demo-crats can be expected to present a relatively solid bloc of support for the president, such defections would virtually assure the demise of any impeachment article that reaches the House floor.

Representative John Edward Porter, Republican of Illinois and a senior member of the House Appropriations Committee, said Congress must choose some lesser form of punishment, such as formal censure, and then "move on."

"The purpose of impeachment is not to punish an errant president but to protect the country," Mr. Porter said. "A resolution of censure would have strong bipartisan support and would send the message" that the president's conduct is not acceptable.

Three Republican representatives Christopher Shays of Connecticut, a semor member of the House Budget Comthat the independent counsel's appear- mittee; Mark Edward Souder of Indi-

the region lost their allure in the 1980s and '90s, died Nov. 16 in Monticello, New York.

By the middle of the century, the

Catskills in southeastern New York

were famous as the Borscht Belt, a place

of hotels and resorts where urban va-

cationers, mostly Jews still hemmed in

socially by anti-Semitism, could relax

and unwind, entertained by some of the most famous names in show business. Though many resorts in the Catskills are in decline, Kutsher's continues to

prosper, a tribute, many say, to Mr. Kut-

sher's vision. Besides the country club,

Mr. Kutsher also ran Kutsher's Sport

Academy and a summer camp for chil-

dren, and was a trustee of the National

Tetsuya Fujita, 78, Meteorologist

Fujita, 78, a meteorologist who devised

the standard scale for rating the severity

of tornadoes and discovered the role of

sudden violent downbursts of air that

sometimes cause airplanes to crash,

died Thursday in Chicago. He had been

versity of Chicago Wind Research Lab-oratory and continued to do research until

shortly before his death. With his wife, Sumiko, Mr. Fujita devised the Fujita scale of turnado wind speed and damage

in 1951. In the 1970s, he collaborated in

the development of a rugged cylinder of

instruments carried by tornado chasers on

the ground to record pressure, temper-

ature, electrical phenomena and wind.

Mr. Pujifa was the director of the Uni-

ill for two years.

NEW YORK (NYT) — Tetsuya

Basketball Association Hall of Fame.

Yefim Geller, 73, Is Dead;

A Grand Master of Chess

NEW ORLEANS -- Amid the upbeat assessments about a new relationship forged last week between Republican governors and their counterparts in Congress and the national party, Governor Mike Leavitt of Utah offered a contrary view.

Mr. Leavitt said he saw little that happened here at the Republican Governors' Association meeting to suggest that assurances of a larger voice for governors would lead immediately to a dramatic change in the balance of power within the party. Nor would there be significantly greater success for the party in the legislative battles in Washington, he

'The next two years will be a study in gridlock," Mr. Leavitt said.
"Neither party will have the capacity to carry a partisan agenda through

The governors' meeting may have marked another important turning point in the evolution of a Republican Party grappling not only with its disappointing performance in the midterm elections this year but the aftermath of its big victories of

What the week of private meetings and public speeches demonstrated was the vacuum of power that exists within the party and the governors' willingness to fill it.

The turnoil in Congress since the

midterm elections guarantees at least some shift in the balance even in the immediate months ahead. The departure of the House speaker, Newt Gingrich of Georgia, assures a lower pro-file for the party's congressional wing. And the challenge to the Republican National Committee chairman, Jim Nicholson, means that he, or a successor, will have to cater more to the interests of governors.

Away From Politics

hitting the lowest level in 23 years as police forces reported fewer murders and robberies, the FBI said. The agency said that there were nearly 13.2 million serious offenses last year, marking the sixth straight year the number of crimes has gone down. The overall crime rate of 4,923 offenses for every 100,000 U.S. res-1996 rate and 13 percent from a defalling 7 percent in 1997 from (Reuters)

Republican Intrigue Reno Decision Due

WASHINGTON - After two years of investigating 1996 Democratic fund-raising, Attorney General Janet Reno must formally address the unanswered questions that launched the inquiry. Are President Bill Clinton and Vice President Al Gore telling the truth when they say they followed complex campaign finance laws, going to the edge of permissible behavior but no further?

On Tuesday, Ms. Reno will announce whether she has found grounds for an independent counsel investigation of possible crimes committed during the 1996 presidential

First, she will decide whether Mr. Gore should be investigated for making false statements. Next, there is another potential perjury case, this one involving the former White House deputy chief of staff, Harold Ickes. And in three weeks she will unveil a decision on whether Mr. Clinton violated some basic elements

of federal election law. Although the department's criminal division has yet to present its recommendations and Ms. Reno has yet to begin final deliberations, there are considerable doubts among senior Justice officials and legal experts that any of the cases will result in a broad independent counsel inquiry. (WP)

Quote/Unquote

Paula Jones, who recently settled her sexual harassment lawsuit with President Bill Clinton, saying she is no longer interested in an apology: "I wouldn't want an apology from him anymore. It's empty. It doesn't mean anything anymore. Because he doesn't mean it. It doesn't come from

• The U.S. crime rate fell in 1997, idents decreased 3 percent from the cade ago. Murders and robberies showed the steepest declines, each

 A small plane hit a high school cafeteria in Oakland, California. No students were hurt, but a woman who was a passenger in the plane was killed when she was thrown from the Cessna 210 that crashed into-Castlement High School. The pilot was listed in critical condition.

 A NASA research plane set an altitude record for a medium weight aircraft by soaring to 68,700 feet (20,800 meters), almost twice the cruising altitude of most commercial jetliners. The research craft is a cousin of the U-2 spy planes. (AP)

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Bosnian Economy Fails to Mend

Leaders' Self-Interest and Communist-Era Rules Bar Change

By Mike O'Connor New York Times Service

SARAJEVO, Bosnia-Herzegovina — Bosnian political leaders are so good at resisting changes needed to revive the economy that diplo-mats and foreign officials say their governments now face the choice of either providing large amounts of financial aid for years or watching commitments are tentative. the country collapse.

Three years after the Dayton peace agreement, diplomats had assumed that foreign private investment would have already begun to war, is opening a much-scaled-down replace the \$1.5 billion in annual operation. With about 400 workers, it foreign aid. But, with the ravages of war still very obvious and an economy still run by Communist-era rules, doing business in Bosnia remains so unattractive that there is international aid and the money spent to support foreign organizations and tens of thousands of foreigners working here.

"We urge, we push, we organize meetings, we threaten," said Didier Fau his face contorting slightly with the frustration of being one of the top foreign officials responsible for economic reform in Bosnia. "But

we are not in charge. A Western diplomat, referring to the small group of politicians who control much of the economy companies that I work with, small through their control of govern- companies, have started up," he keeps investors away.

ment, said: "Anyone with the power to change the system benefits from the way the system works now, so make a profit." there is no reason for them to want

change."

"They think we can't afford to fail and we'll just keep paying," the dip-lomat said. "Maybe they are right." Only three big foreign companies have ventured into Bosnia, and their

Volkswagen, which had operated a large plant just outside Sarajevo that was commandeered and wrecked by the Bosnian Serbs during the 1992-95

Was a Communication of Communicati will assemble 10 percent of the Skoda cars made at the company's plants in the Czech Republic.

Coca-Cola has a bottling venture in Bosnia, and DHL operates a courvery little foreign investment. The ier service. But both could fold economy survives in large part on quickly if the companies needed to get out, businesspeople said.

Many of the other foreign busi-

nesspeople in Bosnia seem to be motivated less by profit than emotion.

Jean Le Roch has his office across from the marketplace where a mor-tar shell killed 68 people Feb. 5, 1994. Mr. Le Roch was a French Army officer with the United Nations in Bosnia then. Now his business is to advise European compa-

"The leaders, on all sides, have learned the words to use," he said. "Free enterprise, Western style, market economy, dynamic, efficient: They say these things with great passion. But that is only superficial, nothing has changed from when this was a Communist country."

planning with alleged self-management of enterprises and was heavily subsidized by the West, which wanted to keep the country out of the Soviet orbit

Failing state-run companies re-ceived loans from a state-run bank that kept them going and were never meant to be repaid. The economy was largely a mirage, but its man-agers mouthed the jargon and in-sisted that they practiced an en-lightened mix of Communism and

In similar fashion, Bosnian politicians now refuse to provide the kind of business environment that most large foreign investors demand. Foreign economists say there is often favoritism in the way taxes are collected and laws are applied. They say the lack of a commercial banking system or privatization also



President Alija Izetbegovic of Bosnia, left, and President Franjo Tudjman of Croatia, signing an agreement Sunday on closer ties.

Instead of helping investors, dip-lomats and foreign economists say, Bosnian leaders allow, and often profit from, corruption, tax evasion and regulations so burdensome that companies often must bribe officials or break the law. Most workers still do not have jobs, and only 30 percent of the prewar industrial capacity has been revived.

Some countries are starting programs they hope will foster free en-terprise. The European Union is grams to help refugees return to programs intended to help develop the private sector, a spekerness of the said. "New regulations appear overnight and set amplied to help develop the private sector, a spekerness of the said." private sector, a spokesman said. The United States has a \$278 mil-

lion loan program for Bosnian businesses, part of a \$766 million re- it, because they would take it."

construction project. It also pays \$25 million a year for programs giving technical advice on new laws and regulations intended to open the economy to investment.

These allowed the deputy min-

ister of foreign trade, Seadeta Ceric. to say: "Our economy is now very open and very friendly for foreign investments. No one should have any problems here."

Not so, an American investor

I'm making money, but it's all off the books so the government can't find

Detained Palestinians Begin Hunger Strike

JERUSALEM - Palestinian prisoners in an Israeli prison began a fast Sunday to protest Israel's refusal to

prison began a tast Sunday to protest israel's refusal to free them under a new peace deal and accused the Palestinian leadership of neglecting their cause.

"Fatah prisoners in Megiddo prison have started today an open-ended hunger strike," a Fatah detainee in the prison said by telephone, "It will spread to other jails."

Angry prisoners belonging to President Yasser Arafat's mainstream Fatah faction threatened to stop backing presses moves if they were not released.

peace moves if they were not released.

It was not immediately clear how many prisoners were observing the protest. An Israeli Army spokesman con-firmed that a few prisoners belonging to Fatah had started

Palestinian and Israeli officials disagree over the numbers and categories of Palestinians to be freed from Israel jails under the U.S.-brokered Wye River accord signed at

the White House on Oct. 23. Mr. Arafat said Israel's inclusion of 150 common criminals in a release of 250 prisoners violated the spirit of the accord.

But a spokesman for the U.S. Embassy in Tel Aviv said Washington, which welcomed Israel's withdrawal on Friday from parts of the West Bank under the deal, "was not aware of any violations of the Wye River accords." The Israeli public security minister, Avigdor Kahalani, said that Israel would not release "people who murdered

our children." The numbers reached in Washington were 750 prisoners to be freed, about 200 of them security prisoners, what the Palestinians call political prisoners, and the rest of them criminal prisoners," Mr. Kahalani said.

Palestinian policemen, meanwhile, took control of eight more West Bank villages Sunday after the Israeli military's withdrawal under the Wye accord. (Reuters, AFP)



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THE INTERMARKET Continues on Page 18

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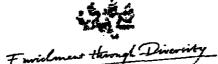
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EUROPE

Ankara Retaliates Against Rome For Release of Rebel, Italian Firms Barred From Defense Contracts trial to a country where they could fac

ANKARA — Turkey hit back at Italy on Sunday for releasing the Kurdish guerrilla leader Abdullah Ocalan by barring Italian companies from bidding for any Turkish defense contracts and saying that further measures were possible. The two NATO partners are deeply divided over the fate of Mr. Ocalan, who is wanted in Turkey for treason and in-volvement in more than 29,000 deaths.

An Italian court released Mr. Ocalan, leader of the Kurdish Workers' Party, on Friday but ordered him to stay in Rome in case Germany sought his extradition. An arrest warrant for Mr. Ocalan was

issued in Germany in 1990.

We will not invite a single Italian firm to participate in contracts to meet the needs of our defense industry or our armed forces," state-run Anatolian News Agency quoted Defense Minister Ismet Sezgin as saying.

meccanica SpA Agusta, of Italy, was a candidate for a \$3.5 billion contract to Germany could still seek the extra-

build 145 attack helicopters. "We shall protest to NATO about the Italian government," Mr. Sezgin said. We shall re-evaluate our relations with Italy in all areas of the economy, not just the defense industry, and we shall do whatever needs to be done."

Prime Minister Mesut Yilmaz said earlier that Turkey could retaliate.

"The Italian government ignorantly opened its arms to the world's bloodiest terrorist," Mr. Yilmaz told a convention of his Motherland Party this weekend. The whole world should know that if

Ine whole world should know man it Italy persists in this disgrace, Turkey will not leave it manswered," he said. Italy has refused to send Mr. Ocalan, who arrived this month seeking asylum, to Turkey, saying the constitution prevented Rome from sending people for

trial to a country where they could face

dition of Mr. Ocalan but said last week it did not intend to. He is wanted there for incitement to murder, and German police said Sunday they were investigating whether his group had abducted children to be trained for guerrilla warfare.

Protests and boycotts of Italian products grew in Turkey over the weekend. The state-run arms concern had stopped imports of Italian weapons and ammunition valued at \$300 million an-

nually, newspapers said Sunday. Tens of thousands of Turks took to the streets Sunday to protest Rome's decision. Nearly 130,000 demonstrators paraded in the central city of Kayseri to demand Mr. Ocalan be handed over, and in Ankara, a thousand people protested outside the Italian Embassy, Anatolian



A Turkish woman with a photo of her son, killed in Turkey's war against Kurdish guerrillas, marching Sunday at the Italian consulate in Istanbul.

France Signs Deal For Purchase of

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The Associated Press

PARIS — The American Center, which before going bankrupt was the premier showcase for U.S. art and culture in Paris, is selling its

American Center

high-tech beadquarters to the French government, officials said. The Culture Ministry said in a statement that it signed a deal Friday to purchase the building, which was designed by the California-

based architect Frank Gehry. The

price and date of the purchase were not made public. The ministry said in July that it would acquire the building and rename it La Maison du Cinema, showing films there and offering courses on movie history. It will also house a library and film archive. The ministry said it will

open in two years. The independent American Center was a key European venue for American artists, including the choreographer Merce Cunningham, the

avant-garde musician John Cage and the pop artist Andy Warhol. It moved from its Left Bank home to the architectural jewel in southeast Paris, a \$42 million investment. But an economic downtum put a dent in donations, and an \$18 million endowment never materialized. The center went bankrupt in 1996.

According to Focus magazine, Mr. Clement charged that the reforms,

leashed a hailstorm of attacks.

which will fund a lower income tax by closing loopholes, and fund lower payroll costs by raising the energy tax, would cost businesses 30 billion Deutsche marks (\$17.80 billion). "Unless we make corrections to the planned tax measures we must expect negative effects on growth and employment," he was quoted as saying.

BRIEFLY

German Unity Shows

BONN - Another chunk fell off the new government's facade of unity over

the weekend when the Social Democrat

who leads the industrial heartland in

Germany criticized his own party's tax

Rhine-Westphalia state, wrote to Chancellor Gerhard Schroeder and Finance

Minister Oskar Lafontaine, his fellow Social Democrats, urging them to re-

consider new policies that have un-

Wolfgang Clement, premier of North

Signs of Cracking

IRA Denies Reports Of Secret Meeting

DUBLIN - Irish Republicans on Sunday dismissed a newspaper report that IRA guerrillas were holding a secret conference that might try to ease a disarmament dispute stalling the Northern Irish peace process. "This is rubbish," one source said.

The Sunday Tribune said the outlawed Irish Republican Army was meeting to review its truce in its long war against British rule. It said the IRA might also debate whether to give its Sinn Fein political wing a freer hand in defusing an impasse over the fate of the IRA's vast hidden arsenals. (Reucrs)

Wind Sends Ferry Into Baltic Quay

HELSINKI - A Finnish ferry with 2,600 people on board crashed into a quayside in heavy winds in the Baltic Sea in the middle of the night, but no one was injured, the Finnish news agency STT reported Sunday.

The Silja Europa, en route from the Finnish western city of Turku to Stockholm, rammed into the quayside in winds of up to 20 meters a second (45 mph) during a scheduled stopover in the Aland islands, a Silja Line represen-tative told STT. The vessel was slightly damaged.

The ship was due to return to Turku on Sunday, with most of the passengers

Pinochet Case Puts Several Landmark Laws on Trial

The general will

genocide applies.

not be able to

By Marlise Simons New York Times Service

MADRID — As judges in Britain deliberate the fate of General Augusto Pinochet, the former Chilean dictator, the rarefied world of international law has been sent into a flurry of activity, with lawyers issuing papers and opinon what they see as a case with

... Many scholars and jurists regard the general's unexpected arrest in London on charges of genocide and murder, and a request for his extradition by Spain, as an unusual chance to test high-minded human rights conventions that oblige countries to prosecute great arrocities but are invariably ignored. Even when Pol Pot was detained before his death, some experts note, no country was willing to seek his extradition and try him for his role in the deaths of more than 1 Million Cambodians.

Most important, some experts say, the Rinochet case will test whether Britain is willing to let its international human rights commitments prevail over a domestic law giving immunity to beads of state. Second, they say, it will test whether a former dictator with a disastrons human rights record can be tried for crimes against humanity by a national court in a country that is not his own. A decision from the House of Lords in London is expected Wednesday.

Such trials involving former top of-

So it was considered all the more quixotic when in-1996 the best-known investigating judge in Spain brought suits against the military leaders of Argentina and Chile, where the governing rightists mounted particularly cruel repressions

of leftists in the 1970s. The judge, Baltasar Garzon, who is famous in Spain for taking on high-profile cases, at first aimed his inquiry at the fate of Spanish citizens. Several hundred Spaniards or their descendants

were tortured, killed or "disappeared" in the repression. Laws dating back to the colonial era give Spanish courts the right to investigate the plight of their citizens abroad.

But Judge Garzon reached further. He also invoked a Spanish law that gives the courts jurisdiction over a series of crimes

"committed by Spaniards or foreigners outside the national territory," including crimes of terrorism and genocide. The judge used this law - adopted in 1985 but based on previous statutes — to charge General Pinochet with torture,

terrorism and genocide. And it was this law and a series of international laws that Judge Garzon used to order the general's arrest and

seek his extradition. Experts in Madrid say the Spanish law he invoked essentially reflects the ricials and foreign judges have invari- international conventions to which

ratify conventions and treaties, they must adapt their domestic laws to their new commitments. And Spain has signed most parts of the evolving body of international human rights law that has come into being since 1945.

The Spanish arrest warrant for General Pinochet also cites nine international conventions and resolutions dealing with human rights that the Pinochet regime is said to have violated, including the international convention

against genocide of 1948 and the convention against torture of The binding conventions invariably stipu-

claim immunity if late that countries must punish people guilty of violations, no matter what their rank or status or where the crimes took place. Several of the covenants that General

Pinochet is accused of having violated also deal with "crimes against humanity," commonly defined as grave human rights crimes that are "systematic and widespread." The Spanish judge holds that torture, killings and the "disappearing" of people were indeed systernatic and widespread

Further, the judge charges the general with genocide because he tried to destroy an entire group of people, namely his opponents. Some experts in international law maintain that while Judge Garzon has sufficient evidence for his

charge of genocide is the weakest. They argue that events in Chile did

not meet the genocide definition under international law because people were killed for belonging to a political group and not to "a national, ethnic, racial or religious group." Judge Garzon has argued that the definition of genocide has been evolving and has in several in-stances included political persecution.

If genocide does apply, General Pinochet will be unable to claim immunity, as he has, because the 1948 international convention against genocide makes no exceptions for anyone. Britain, Spain and Chile have signed the convention.

Another United Nations declaration, signed in 1989 and dealing with the investigation of extralegal, arbitrary and summary executions, says that governments must try suspects or extradite them to other countries wanting to try them, "irrespective of who and where the perpetrators or the victims are, their nationalities or where the offense was

committed." But it is the Convention Against Torture, also signed by Britain and Spain, as well as Chile, that is seen as particularly relevant. It says that any country that has signed the treaty must put "the alleged offender" on trial if he is present on its territory, a clause that makes General Pinochet vulnerable to British law. The convention says that if the country does not try such an offender, it must extradite him to a country that will. In this



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INTERNATIONAL

Leave the Guy Alone, Troops Say as Clinton Visits Korea

By Don Kirk

OSAN AIR FORCE BASE, South Korea — On a near-freezing pale-gray day on the tarmac of this U.S. Air Force base south of Seoul, President Bill Clinton did not have to offer any expla-nations for his conduct to GIs, most of them here on one-year tours without

"They should just leave him alone." said Private First Class Robert Hen-zerling, 22, who was bused to the base from an army post just south of the Demilitarized Zone that divides Korea. 'They're putting their time on him when they should worry about Iraq. They

should leave the guy alone."

Not all the 3,000 GIs on the tarmac with Monica Lewinsky, but it seemed most were on his side as they waited two hours for him to arrive for a morale-

Clinton had done to prompt a special prosecutor's investigation and impeachment hearings was "his personal business, and everybody should stay out of

helicopter, going to church, shaking proud.



maintained that the president should be entirely forgiven for his relationship

hands, singing "Happy Birthday" and even holding a baby or two, as though he were on the campaign trail in an election he was sure to win.

"I love him, he's my president," said an air force technical sergeant, Harriet Starr, and the congressional impeach-Hicks, 36. Beside her, Senior Airman ment hearings were very much on the Yolanda Byrd said that whatever Mr. minds of GIs who see and hear American network newscasts regularly on the U.S. Armed Forces Network, but for the most part the troops were heartened that the president was among them.

"He got a lot of soldiers' and sailors' It was that kind of day for Mr. Clinton.

Clad in a dark-green military wind-breaker, wearing a baseball that said "President Clinton" on the back, he troops in Korea for having "made the flew from base to base on a Marine world a better place" and "made us very

outlook of a significant minority of the Korea, then flew to a training center set troops, however, when he said he did not amid rugged peaks and valleys north of think Mr. Clinton should be entirely

Asked if he thought Mr. Clinton should be punished in some say, he responded: "In a way, I think he should if something like that happened to me, I'd get booted."

Asked if he thought Mr. Clinton cialist fourth class, then sang "Happy Birthday" for Command Sergeant Major Charles Thomas "It definitely caught me off guard," Mr. Thomas said.

I'd get booted."
He added, "If I had to pay the price, why doesn't he have to pay the price?"
But in his visits to bases, there were no embarrassing questions or public com-

Mr. Dietrich, based in the port city of church at the Yongsan army garrison, Pusan in the southeast, expressed the headquarters in Seoul of U.S. forces in the capital. He personally promoted one soldier from private first class to spe-

Mr. Clinton's visit may have reached a high point of sheer entertainment Saturday night, however, when he watched from off-stage as his half-brother, Roger ments about Mr. Clinton's troubles on the home front.

The president began with a church service at Memorial Chapel, a Protestant Clinton, sang a set of rock times before about 3,000 Koreans in the Sejong Cultural Center, across a wide boulevard from the U.S. Embassy in Seoul.

CLINTON: President Presses North Koren

Continued from Page 1

idential power, discussing policy with regard to the North

Mr. Clinton, speaking several days after the North rebuffed efforts of a senior U.S. diplomatic mission to inspect the underground site, said the United States had made clear that Pyongyang "must satisfy our concerns and that further provocation will

threaten the progress we have made."

Mr. Kim, who has been reluciant to use strong language in the face of a series of provocations this year by North Korea, said "all necessary steps must be taken to clarify the purpose and nature of the un-derground sites," including others where the North may be developing weapons. He vowed that South Korea would not "tolerate any possible attempt by North Korea to prohibrage nuclear weapons or other weapons of mass destruction."

Before the meeting, however, the United States and South Korea were at

odds over just how strong a view to take of the underground site at Kumchangni, about 50 kilometers (30 miles) northwest of North Korea's nuclear complex

at Yongbyon. Charles Kartman, the special envoy who led the U.S. delegation to Pyongyang for two days of talks last week, issued an extraordinary "clarification" Saturday designed to allay Mr. Kim's specific concerns about the U.S. position. Mr. Kartman said he wanted to amend his statement earlier that there was "compelling evidence" that the site was "intended to be used for nuclear-related activities."

In his clarification, Mr. Kartman stated, as Mr. Kim had pointedly done Friday, that "we lack conclusive evidence that the intended purpose" of the site is nu-clear related. If the site is for nuclear activities, he added, intelligence analysts do not know "what type of nuclear fa-cility it might be." Thus, he concluded, "full access to this site" is required.

Officials said the North had made a show of abiding by an agreement reached. Koreans not to yis in Geneva in 1994 in which it promised to of protectionism."

give up development of nuclear weaper in return for construction of two nuclear reactors to fill the country's energy needs.

U.S. Energy Department officials are in Yongbyon monitoring adherence.

Mr. Clinton, who gave the crisis over Iraq as the reason for canceling a visit to Malaysia last week for the annual sea-sion of heads of state of the Asia-Parific Economic Cooperation group, takes off early Monday for a day in Guam, home of another major U.S. air base, before flying to Washington in the evening.
He indicated Sunday that one reason he

chose to come to the base in South Korea was that the military danger on the Korein peninsula might be almost at the same level as that with Iraq. Citing "weapons of mass destruction" as "one of the greatest threats the world new faces," said that "our attention lately has be focused on Iraq's efforts in that area.

"North Korea is also a major con-cern," he said, and this base, home of fighter jets just a few minutes' flying time from the North, is "critical to this most dangerous battleground, deterring and, if necessary, defending against chemical and biological attacks."

Mr. Chinton, choosing words far stronger than any used by Mr. Kim, said stronger than any used by Mr. Kim, said that "signs of danger have intensified," ranging from submarine incursions into the South to the firing of a missile over northern Japan on Aug. 31 to the discovery of the suspect site. "So we must remain vigilant," he told the troops, "and thanks to you, we are."

U.S. officials insisted there was "no daylight" between the views of Mr. Clinton and Mr. Kim regarding the North, but they acknowledged differences between the United States and South Korea on trade issues.

South Korea on trade issues.

Commerce Secretary William Daisy, who accompanied Mr. Clinton on the trip, hold American businessmen Salurday that "many of us feel that the 1998 financial crisis will become the 1999 trading crisis." Mr. Clinton urged Koreans not to yield to the "temptation

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PANEL: The Gods Continue to Smile on Clinton

Continued from Page 1

saw a chance to peel away two or three Republicans on the House Judiciary Committee to vote against articles of impeachment, bringing a quick end to the matter.

But even the pessimists at the White House were increasingly hopeful of a rapid and fa-vorable exit, believing that they had a decent chance of defeating an impeachment resolution on the House floor.

Mr. Starr's appearance before the Judiciary
Committee was intended by the Republicans to showcase the prosecutor's bill of particulars against the president. Instead, the hearing laid bare the deep partisanship of the committee and the charged political nature of the impeachment inquiry itself.

"What people are going to remember from the hearing are the Republican members and only the Republican members — giving said Senator elect Charles Schumer of New Ken Starr a standing ovation at the end of his York, predicting that 40 to 60 Republicans viser. "The wheels are coming off their wagon, meaning the conglomeration of the Office of Independent Counsel" and the Repubrebule — "so the next Congress can get on licans. "What they have accomplished is to with the business of the American people," he trade Newt Gingrich for Ken Starr as the public face of the Republican Party."

On another front, White House lawyers con-Starr's impeachment report. Lawyers have been working on the responses for two weeks, but do not expect to submit them to the committee before Tuesday, after Mr. Clinton returns from a six-day trip to Asia. The president must approve the document before it is forwarded to the panel, a White House aide said.

But a lawyer working on the matter, who insisted on anonymity, said the White House was not stonewalling the committee. Some of the questions are "tricky," he said, adding that "there is no strategy to push it over to January," when a new, more closely divided

ss is seated. While the cards continue to fall the president's way, Mr. Clinton's fate is still largely in the hands of Congress.

The White House is looking to Representative Bob Livingston, soon to be speaker too excited about a censure, believing it's of the House, to signal his intentions. He said outside the Constitution." last week that he hoped to have the matter Other Republicans indicated that they resolved by the end of the year - an intention also expressed by Representative Henry House before they backed down.

Hyde, chairman of the Judiciary Committee.

- But Mr. Livingston said Congress was still awaiting resolution of a new matter raised by Mr. Starr, the complaint of Kathleea Willey that Mr. Clinton made an unwanted sexual advance near the Oval Office. The Judiciary in Alla

Committee voted early Friday to issue four subpoenas to witnesses who may have information about the incident and about allegations that Mrs. Willey was persuaded to keep it quiet.

■ Democrats Urge Lesser Punishment In televised interviews Sunday, leading Democrats urged lawmakers to opt for a less punishment, amid rumors that Republicans would not be able to muster enough votes to pass an impéachment vote, Agence France-

Presse reported from Washington.
"We are no secure to have impeachment," said Senator-elect charles Schumer of New would urge Republican leaders "to come up with a suitable punishment" — censure or rebuke -- "so the next Congress can get on said on CBS television.

Republicans were more circumspect about how to punish the president over allegations tinued to work on answers to a catalogue of 81 of perjury, obstruction of justice and abuse of questions put to Mr. Clinton relating to Mr. power. But their thetoric on impeaching the president over the Monica Lewinsky sex-andperjury scandal seemed to soften.

Mr. Livingston reiterated that Republican should vote their consciences. Membe "shouldn't feel obliged by his party or by pressures from one sector or another to sky away from it, or to vote in any one way other than that which his conscience dictates." he said on NBC television.

Asa Hutchinson, Republican of Arkansas and a member of the House Judiciary Committee, said: "We are waiting for the president's defense. He needs to present that, but I have concluded I will not make a final decision until I hear the president's defense, until we have the debate, and all options

should be on the table. But he told CBS that: "Republicans are not

Other Republicans indicated that they needed further concessions from the White

JAKARTA: 6 Are Killed in Riots

Continued from Page 1

for democracy after 32 years of authoritarian rule. President Suharto stepped down in May

after widespread protests and rioting that left at least 1,200 people dead. Critics of Mr. Habibie, who was a protege of Mr. Subarto's, accuse him of trying to prolong his rule and say they doubt that his administration is truly committed to political reform. In the meantime, public confidence in the ability of the security forces to keep a lid on lawlessness is at an all-time low. Mistrust grew deeper following the shooting deaths of student protesters and revelations of widespread human rights abuses during the Suharto era.

■ New Inquiry Into Suharto Wealth

A government official has announced that Mr. Habibie would set up a commission to investigate the wealth of oussed former Pres- General Wiranto, the defense minister, ident Suharto, news agencies reported

State Secretary Akbar Tanjung said Sat-urday that the commission would be formed soon after consultations with key ministers said Saturday the former president was ready including the defense minister. General Wir- for any inquiry into his rule and wealth: anto. "The commission will comprise people that have integrity and high credibility."

Akbar sand.
He said the investigation would include charities and foundations headed by Mr.
Subarto, but he did not say if it would extend to the former leader's family and friends, and fired live rounds instead of plastic bullets to the former leader's family and friends, and fired live rounds instead of plastic bullets.

Australia, who met Mr. Subarto on Thursday, soldiers property



peaking to reporters in Jakarta on Sunday about the rioting in the capital.

On Sunday, the Indonesian military said that bullets had been found in the victims of olence of just over a week ago, but denied they

to the former leader's ranning and means, and mean invertounds instead of plasme ourses many of whom are business leaders. Some or blanks during the protests. A military newspapers estimate the Subarto family spokesman; Syamsu Ma'arf, said the military amassed \$40 billion during his rule.

Former Prime Minister Paul Keating of 12 officers, who had falled to command their soldiers received.

ASIA/PACIFIC

In China, a Battle to Turn Tide to Save Environment

But Flood Disaster Highlights Policy Problems

By John Pomfret
Washington Post Service

YANGXIN, China - As the waters from China's worst flood since 1954, recede in the Yangtze River valley, many people here are hoping that last summer's disaster will become a turning point for China: a warning to the world's most populous country that it can no longer ravage its environment as:

it rushes to modernity.

Over the past few months, the State-bouncil, China's cabinet, has issued stern notices, prompted in part by the catastrophe that left 3,656 people dead and doused 64 million acres of land. It has banned most logging in Sichuan Province to halt the massive soil erosion that contributed to the deluge. It has prohibited further land reclamation projects that squeezed the Yangtze's flood plain. It has earmarked \$2 billion to reforest barren hills in the Yangtze's upper reaches. "Sustainable development" is the new buzzword among Chinese economists and officials.

But a weeklong trip to a flood-stricken region of Hubei Province illustrates the difficulty China's central government will face in bringing even the smallest changes to a development model that has taken China's envir-

connent to the brink of crisis. While officials in Beijing, such as esident Jiang Zemin and Prime Minister Zhn Rongji, speak in sweeping terms about protecting the environment for tomorrow, local officials are busy wonying about today. While Beijing's leaders promulgate stringent regulations designed to protect the Yangtze's watershed, local officials wonder who is going to pay for them — and look for ways around the bans.

tile only

The future of the environment is one of China's most serious issues. Environ-mental concerns routinely lead the list of citizens' complaints in public opinion polls. China's environment is also a serious issue for the world as a whole. By nous issue for the world as a whole. By early next century, China will probably produce more greenhouse gases than the Umied States, the world's No. 1 polluter. "If we had embraced environmental issues years ago, we wouldn't have these problems today," said Liang Congile, the president of Friends of Nature, one of China's few semi-independent environmental occaminations.

mental organizations.

To understand the complex issues bedeviling China's government, jour-ney to Yangxin, a river-crossed county on the southern banks of the Yangtze in Hubei Province, 800 miles (1,300 ki-

lometers) from Beijing.
Since the mid-1970s, the county govemment has emptied 104 lakes and turned the lake bottoms into cotton fields and housing projects. It has moved more than 40,000 people into these areas from poor regions in the footbills of the forbidding Mufu moun-tains to the south. In all, the county's

tains to the south. In all, the county's population has soared from 400,000 to 900,000 since the 1949 revolution. This pattern has been repeated throughout the Yangtze River basin. Land reclamation has chopped 30 percent off the area of Dongting and Poyang lakes, two of China's largest bodies of water, in less than 30 years. The population of the river valley has more than doubled since 1949, to about 200 million people.

million people.

During this year's floods, the Yangtze's flow peaked at less than 2 million cubic feet (56,600 cubic meters) per second, a rate it had surpassed 23 times since 1949, Chinese statistics say.



DRILL FOR BIG CHILL - Shovel-wielding soldiers of the People's Liberation Army marching in Beijing while on snow-clearing duty Sunday. North China was blanketed with snow Saturday.

So by any measure, this year's flow should not have been a problem. But the combination of land reclamation and population growth created an environmental time bomb. It exploded in Au-

When the Yangtze's waters roared through Yangxin last summer, the lake beds, which used to soak up excess water, became giant traps. Throughout the region, more than 5.6 million houses were washed away, the disaster caused \$30 billion in damage and affected 230 million people, said Niu Maosheng, vice

hion people, said Niu Maosheng, vice director of China's flood control bureau.

"My pockets are empty," said Xu Xinbin, the harried chief of Yangxin County, as he stood on a crumbling embankment watching a man in a cance attempt to paddle into the door of his waterlogged home. "We are in difficult times."

But for Mr. Xn and other county chiefs like him, turning back the clock is not an option. The reclaimed lakes can-not really be restored, be said, asking, "What am I going to do with the people

send them back to the mountains?" The money they generate in crops and thus taxes is also a key to the county's economic health. In addition, if water is returned to the lake beds, Mr. Xu said, another problem will come back to haunt the county - the snails that host the "blood-sucking insects" that cause the deadly parasitic disease schistosomiasis, and thrive in the moist soil along the banks of southern China's rivers and lakes. "We look at it this way," Mr. Xu said. 'The blood-sucking insect can wipe out a whole village, a whole county forever. The floods just come

once every 10 years."

Some Chinese officials say that a key reason they fear China will have difficulties learning the lesson of the floods concerns the way the country is governed. China deals with crises by issuing proclamations and blanket bans from Beijing. But the bans, poorly thought out and badly implemented, rarely work. Little effort is made to coordinate policy with county chiefs such as Mr. Xu, who then must implement the rules.

Mahathir Says Gore Humiliated Malaysians

Prime Minister Sees Foreign Press 'Agenda'

KUALA LUMPUR - Prime Minister Mahathir bin Mohamad accused Vice President Al Gore on Sanday of humiliating Malaysians and charged the foreign news media with having a "certain agenda" against his country.

Speaking in the northern city of Ku-ala Kangsar, Mr. Mahathir said he was "impressed" by the outpouring of national indignation in response to Mr. Gore's remarks praising supporters of the ousted deputy prime minister, An-

"They voiced their stand because they were disappointed and humiliated by his disrespectful remarks," Mr. Mahathir was quoted as saying by the of-ficial Bernama news agency. "I'm im-pressed by their stand, as this is the real strength of the country."

Mr. Gore praised supporters of Mr. Anwar as "brave" during a speech here last week, unleashing a torrent of outrage from indignant politicians who said he should not interfere in Malaysian affairs. Malaysian newspapers joined in the criticism of Mr. Gore.

Mr. Anwar was fired by Mr. Mahathir September and arrested two-and-ahalf weeks later after leading a massive anti-government protest in Kuala Lumpur. He is on trial on corruption and

sodomy charges.

Mr. Mahathir accused the foreign media of trying to "deny us the rights to air our views. That's why we see the foreign media reports were suited to their needs. They have a certain

Mr. Mahathir, who recently banned the foreign media from covering his press conferences, added: "I was told they have reached a stage where they show my pictures to children and tell them people like this must be beheaded."

The government announced plans for a nationwide campaign this week that it says will allow people to vent their frustrations over what it calls foreign

"The purpose is to get a true picture of the feelings of the 20 million Malaysians about problems facing the country," Information Minister Mohammed

Rahmat was quoted as saying.

An opposition leader, Lim Kit Siang, warned of a government crackdown on dissents after the arrest Saturday of Tian Chua, who heads an opposition coali-

Mr. Tian was among four people detained after police used water cannon to disperse up to 200 protesters at a Muslim neighborhood in Kuala Lumpur. Reporters and camera crews at the protest were ordered to stay behind po-

Protesters had gathered outside a mosque in the Kampung Baru district after Muslim evening prayers, shouting "reform" and "down with Ma-

Mr. Lim said the arrest of Mr. Tian, who was later released, might mark "a massive crackdown against dissent in Malaysia, ushering a new dark age for democracy in the country" and called for his immediate and unconditional re-

Since the firing of Mr. Anwar, his supporters have mounted weekly demonstrations calling on Mr. Mahathir

to end his 17-year rule.

But on Sunday, hundreds of supporters of Mr. Mahathir in northern Perlis state burned an effigy of Mr. Gore and carried banners condemning him at a one-hour gathering, Bernama reported.

Obuchi's New Ally Calls for Elections

TOKYO — The Liberal Party leader, Ichiro Ozawa, called Sunday for parliamen-Ichiro Ozawa, called Sunday for parliamentary elections to be held as quickly as possible and threatened to withdraw from a coalition with Prime Minister Keizo Obuchi's Liberal that the promises will be kept, and if they are

produce dramatic economic change. He said there had been no agreement on reducing or

Commenting on speculation that the Lib-

eral Democrats might try to go back on some of the more sensitive parts of the agreement,

Democratic Party if the prime minister failed to honor commitments made when the coalition was formed last week.

Asahi Shimbun, 45 percent of respondents said they were opposed to the coalition, while 29 financial markets that the coalition would produce dramatic economic change. He said also showed that support for Mr. Obuchi's table to all produce dramatic economic change. He said also showed that support for Mr. Obuchi's cabinet had fallen to 21 percent, the lowest suspending the national sales tax.

Commenting on speculation that the Libwhen Mr. Obuchi won the party leadership.

Award Nights or Thousands of Miles Are in the Stars at Hyatt

15 November 1998 - 28 February 1999

BRIEFLY East Timor Toll Put at 44 Dead

LISBON — A former governor of East Timor said Sunday that 44 people had been killed during a military crack-down in the territory, which Indonesia controls.

The former governor, Mario Carrascalao, told the Portuguese news agency Lusa that he had confirmed the death toll with sources who had reached the district of Alas on Timor's southern coast

Portugal suspended UN-brokered talks with Jakarta on Friday after the first reports that civilians had been killed in the area, where guerrillas are active. (Reuters)

Trip North Stirs Koreans' Hopes

DONGHAE, South Korean

The first South Korean
togrists to visit North Korea in 10 years returned from their journey Sunday with some hoping the trip would help lead to remification of the long-time rivals.
"I believe the Mount

Keumkang tour can speed up the reunification," said Kang Nam Sool, 76, one of the 780 South Koreans who took the five-day guided tour.

The tour group, accompanied by 200 journalists, visited the Diamond Mountains, just facross the heavily fortified border between the North and

Heavy Damage In India Storm

NEW DELHI - Thousands of people lost their homes Sunday as a storm with winds of 80 to 100 kilometers per hour hit eastern India, do-

mestic news agencies said.

The United News of India reported that about 10,000 homes had been destroyed in West Bengal. About 100 fishermen were reported to be (Reuters)

For the Record

Singapore's senior min-ister, Lee Kuan Yew, 75, was in stable condition Sunday in a Singapore hospital after be-ing admitted for treatment of an infection arising from a minor surgical procedure, his

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Assassination of a Russian Liberal Shocks St. Petersburg

By Celestine Bohlen New York Times Service

MOSCOW - The killing in St. Petersburg of Galina Starovoitova, a leading liberal politician and tireless defender of Russia's democratic reforms over the weekend shocked her old allies, who claimed she was the latest victim of the country's lethally corrupt political

President Boris Yeltsin sent his top law-enforcement officials to investigate the shooting death of the 52-year-old parliamentary deputy, who had been his close associate during the early years of Russia's transition from communism to democracy and served as his adviser on

According to the local police, Miss Starovoitova was struck and killed late Friday night by three bullets to the head in the entranceway of her apartment building off one of St. Petersburg's canals. Her press aide, Ruslan Linkov, was seriously wounded. The two guns used in the attack, a submachine gun and a pistol with a silencer, were found at the scene,

Her Friends Say Reformer Was Victim of Corrupt Political Climate

in the style of Russian contract killings. shaken as he expressed his outrage at the weekend as a criminal act that was only throat, but military doctors treating him said Sunday that there was a good chance that he would live and that he might be able to provide clues about the

shooting, Reuters reported [The 27-year-old journalist, who unwent five hours of surgery to remove a bullet from the brain, was later reported to be conscious and reacting "normally" to those around him. He could not speak because of an artificial tube helping him to breathe.]

In a statement, Mr. Yeltsin expressed his "profound anger" and said he had taken personal control of the investi-

He said the shots that "cut short the life of Galina Vasileyna wounded every Russian who cherishes democratic val-

"A peremptory challenge was thrown at our entire society." Mr. Yeltsin said. Prime Minister Yevgeni Primakov, interviewed on television, was visibly

[Mr. Linkov was shot in the head and killing. "This banditry must be brought to an immediate end," he said.

Miss Starovoitova, a psychologist and ethnographer, was a spirited and visible leader of Russia's young democratic movement, who shared many a platform with Mr. Yeltsin and the late human-rights campaigner Andrei Sakharov in the late 1980s and early 1990s. She was a co-founder of Democratic Russia and kept a high profile as a leading if increasingly lonely "democrat" long after the movement fell into disfavor with a

disgruntled electorate. Most recently, she had declared herself a candidate for governor of the re-gion outside St. Petersburg, in elections scheduled sometime next year. She had also recently remarried, prompting a string of articles about the personal life of one of Russia's few prominent women in politics.

Politicians of all stripes — including the leader of the Russian Communist Party — criticized the killing over the

the latest example of the lawlessness that has pervaded public life in Russia.

St. Petersburg, Russia's former im-perial capital, has been the scene of a number of political contract killings in recent years. The city is also in the midst of a particularly nasty election campaign for the local municipal council, which has brought forth numerous accusations of dirty tricks.

The question to be answered is whether this was a case of a political group getting even with a politician over a particular fact, or a contract killing on a wider level, aimed at provoking political consequences, 's said former President Mikhail Gorbachev, in an interview with a Russian news agency. He praised Miss Starovoitova as 'learned, courageous and active, a born politician."

In an interview on Echo Moskvy, a Moscow radio station, former Prime Minister Yegor Gaidar, the first architect of Russian economic reform and a close political ally of Miss Starovoitova's,

said she had received many threats. Reportedly, she never traveled with a body-

"She was extremely tough in opposing radical nationalists and Comm the Parliament," Mr. Gaidar said. "She was like a bone in the throat for them."

According to the St. Petersburg police report, Miss Starovoitova and her press nide were shot as they returned to her apartment in St. Petersburg's historic central district. Miss Starovoitova was already dead when their bodies were found by a neighbor at 10:45 Friday night. In their report, the police said they found \$1,700 and 1,000 Bulgarian levs in cash and several credit cards at the scene, apparently ruling out robbery as a

The killing will be prosecuted under Russia's laws against terrorism, and the investigation will be carried out by Interior Minister Sergei Stepashin and Vladimir Putin, director of the Federal Security Service, who arrived Saturday in St. Petersburg.

Mr. Putin, who is from St. Petersburg. called the killing a "loathsome" event.

A Tempest Over Claim of Plot on Mogul

By Michael Wines

MOSCOW - President Boris Yeltsin has ordered an inquiry into spectacular charges leveled last week - so far without evidence that Russia's equivalent of the FBI plotted to kill one of the country's most influential tycoons.

The tycoon is Boris Berezovsky,

an oil magnate, director of the an on magnate, thector of the largest Russian television network and a leading supporter of Mr. Yeltsin during the last presidential campaign in 1996. Mr. Berezovsky, who is still alive, made public a letter last make asserting that the letter last week asserting that the Federal Security Service, a spin-off of the Soviet Union's KGB, which is responsible for domestic law enforcement, had plotted last winter to

His source, a Security Service colonel named Alexander Litvinenko, called a news conference Tuesday to promote the accusation and warn that a rogue element is running wild within the agency.

Moscow has talked about little else since. Mr. Yeltsin's spokesman, Dmitri Yakushin, said the president had ordered the security service and his chief national se-curity aide to investigate the ac-

Mr. Yeltsin "is seriously worried by the latest media reports that FSB officials have allegedly committed illegal actions," Mr. Yakushin said. FSB is the Russian acronym for the service, which is responsible for investigating organized crime, terror-ism and foreign intelligence oper-

At his news conference, Mr. Litvinenko and several other agents — some thinly disguised in dark glasses — said the agency was infested by a "criminal group" that had been using it "for their own private political purposes, including settling accounts with unwanted people."

Besides the oral order to murder

Mr. Berezovsky, which Mr. Litv-inenko contended was issued by leaders of the agency, other bureau officers detailed what they said was a plot to kidnap the brother of another prominent Moscow businessman, Umar Dzhabrailov.

-Why the orders were supposedly issued - and why the plots were not carried out - was not clear. The agents took pains to note that all of the plots unraveled before the service's current director, Vladimir Putin, took command in August.

But Mr. Putin reacted angril

anyway, saying he had written evidence that some of the same officers who staged the news conference were themselves rogues who had pushed illegal crime-fighting methods. Some of them, he added, had been personal bodyguards for Mr. Berezovsky before working in the bureau. "They will be dismissed in strict accordance with the law," he said.

Mr. Putin ridiculed the allegations, arguing that experienced investigators like Mr. Litvinenko would have secured proof of their charges, perhaps through video surveillance, if they were true.

.Mr. Berezovsky's Communist Party critics suggested that the once-powerful industrialist, his stature lowered by Russia's economic downfall, was simply seeking to recapture lost limelight

KL: Do Many Cranes Spoil Malaysia View?

Continued from Page 1

The government encouraged these projects to make sure Kuala Lumpur had enough hotel rooms for two big events this year: the Commonwealth Games in September and the Asia-Pacific Economic Cooperation summit meeting, which ended Wednesday.

But now that the Games are over and the foreign dignitaries have left, property analysts are asking what Malaysia will do with all that capacity. The num-ber of hotel rooms in Malaysia has more than tripled in a decade, to 130,526 from 40,760, according to the Malaysian Tourism Promotion Board.

'The newer hotels are probably experiencing between 20 to 40 percent occupancy," said Ken Lee, head of mar-keting at C. H. Williams Talhar Wong Sdn., which serves as the correspondent office for the international property-consuiting concern Richard Ellis.

Two hotels still being built in the capital, a Westin and a Hyatt, have recently slowed or deferred further construction, raising the prospect that two concrete shells will remain in the city center as

symbols of boom-years overconfidence. The government's policy toward the property sector is consistent with its overall approach to battling the economic crisis. More than any other country in the region, Malaysia has tried to mitigate the effects of the crisis by keeping the economy moving: bailing out troubled companies, prodding banks to increase their lending and slashing interest rates. The result has been relatively few cor-

porate failures and low unemployment. On Friday, the central bank, Bank percent from 15 percent, in its latest move to encourage spending.

Critics say Malaysia is postponing the pain and ignoring the need for fundamental reforms. The government counters that wide-scale bankruptcies will only worsen the downturn.

For a city of 3 million people, Kuala Lumpur has an unusual number of hotels. Many of them were built on the back of government incentive programs. The government offered tax deferments, for instance, for hotels that were completed before the Commonwealth Games began in September.

A lot of people were building because they thought the Commonwealth Games would bring large crowds." the consultant at Jones Lang Wootton said.

tels able to fill only half their rooms, past year.

according to property analysts, a fierce price war is under way. A room at the Marriott goes for \$60. Down the road, the Ritz Carlton offers rooms for \$58.

Also saddled with massive overcapacity is the retail sector. Shopping malls have sprouted up throughout the capital in recent years. One project, a shopping complex and entertainment center called Berjaya Star City, will add 180,000 square meters (2 million square feet) of retail space when completed in 2001.

Michael Cheah, the project's de-veloper, says he has sold 65 percent of the retail space. "It's no use saying there are too many shopping centers simply based on numerical statistics alone," he said this year. "The caliber of each center and its

target market must be considered, too." Both hotels and retail outlets depend heavily on regional tourist traffic, including visitors from Hong Kong and Singapore. But with the economic crisis leaving few spots in Southeast Asia untouched, flights between neighboring countries have been slashed as would-be tourists opt to stay home.

Occupancy rates in office buildings, too, have plummeted and taken rents with them. The average price per-square-foot for office space in the city center has fallen from 5 ringgit (\$1.30) to as low as 2.5 ringgit, all in the span of a year. Likely to suffer most are office buildings on the outskirts of the city, where average vacancy rates look set to reach at least 25 percent over the next few months.

But Kuala Lumpur's property glut is not just about empty buildings and lower rents. The swift fall in property values has larger implications for the economy

repayment on credit card spending, to 5 30 percent of total loans in the banking system, according to Bank Negara, and many companies have used real estate to collateralize loans. When the value of their property falls below a pre-deter-mined level, banks could ask the companies to come up with cash to make up for the lower values.

Many individuals also speculated on property during the boom years. Today, they are often left with unrentable properties and fat monthly payments. Gan Kim Khoon, a banking analyst at SG Research (Malaysia) Sdn. estimates these speculative property purchases make up percent of total housing loans.

In recent months, rental signs have popped up throughout Kuala Lumpur's outlying residential areas. Nelson Tan, a real estate agent who works in the up-"That didn't really happen."

market suburb of Bangsar, says rents
With even the city's established hohave fallen by about 30 percent in the



SOMBER ANNIVERSARY — Senator Edward Kennedy placing flowers on the grave of his brother John on Sunday in Arlington, Virginia, as his wife, Victoria, looked on and his sister Ethel Kennedy placed flowers on the grave of Jacqueline Kennedy Onassis. It was the 35th anniversary of the assassination of JFK.

Rapt Audience At Christo Trees

RIEHEN, Switzerland — More than 30,000 people flocked here over the weekend to view 178 trees that had been wrapped by the U.S. artist Christo and his wife, Jeanne-Claude, organizers of the exhibition said.

"Wrapped Trees" required a 33-person team to swaddle the trees surrounding Riehen's Beyeler Museum, using 55,000 square meters (590,000 square feet) of transparent polyester fabric and 23 kilometers (14 miles) of rope.

Christo's previous ventures have included wrapping the Pont-Neuf in Paris and the former German Parliament building, the Reichstag, in Berlin,

NATO: Bonn Seeks Change on Nuclear Policy

that endorsing the disarmament proposal would have triggered a major dispute with its leading allies, but they said the new government wanted to serve notice it was concern in her discussions with her German serious about campaigning to have NATO renounce first-use and to diminish the alert status of its nuclear weapons

With many of NATO's governments now run by leftist parties, the influence of political groups within the alliance that want to deemphasize the role of nuclear arms has grown significantly. Canada, in particular, has declared its support for incorporating a no-firstuse ban into the new strategic concept, which is supposed to chart the alliance's war-fighting doctrines for the 21st century.

Reserving the option of initiating a nu-

clear conflict has been a comerstone of NATO's deterrence strategy for decades. Allied military commanders say that sustaining doubts in the mind of any adversary nuclear level is an important psychological we are trying to contain," the official said.

Continued from Page 1 tost The Continued that its purpose remains critical in the post-Cold War era if only to ward by neutral countries at the United preserve a strategic equilibrium, because clear weapons on alert status.

U.S. officials said that Secretary of State counterpart about the perils that Washington perceives in making any changes in NATO's nuclear doctrine. But her appeals have gone unheeded largely because of overwhelming support among the Social Democrats and the Greens for a no-first-use pledge. "We believe the Germans are using

flawed logic and phony arguments," a senior U.S. policymaker said. "If we adopted a no-first-use policy, it would not only harm our deterrence strategy but would encourage rather than dissuade other countries to go after nuclear weapons. It makes no sense. He dismissed the German position as

"misguided and even dangerous," "Anything that departs from the status quo on the alliance's nuclear doctrine could about NATO's willingness to escalate to the wind up feeding the aggressive tendencies



Christmas, with a view to lifting the oil embargo or listing a few narrow remaining tasks before Tariq Aziz saluting Sunday during the doing so.
"You can never have 100 percent proof beopening of an Arab congress in Baghdad.

The American and British delegations intend cause it's too easy to develop, manufacture and hide biological weapons, so at some point the to resist pressure for a clean bill of health for ling. and each has a veto in the council.

ment," said a confident of Mr. Annan. "At some Iraq's frustration with the review is seen point, it becomes impossible to prove a neganother likely occasion for conflict with Un-

BRIEFLY

Jiang Arrives in Moscow

MOSCOW - President Jiang Zemin of China arrived Sunday in Moscow for an informal meeting with President Boris Yeltsin that is intended to underscore warm ties between the world's most populous county and the largest.

Mr. Yeltsin's talks Monday with Mr. Jiang at the Ogaryovo residence near Moscow are expected to focus on trade and international issues, including cooperation in countering the perceived U.S. domination of the post-Cold War world order. But Russia's economic crisis will also cast a shadow over this sixth bilateral meeting, with Chinese human-itarian aid to its neighbor likely to be discussed, Interfax news agency said. (Reuters)

For the Record

Russia's Far Eastern region of Sakhal-in and Japan's main northern island of Hokkaido sealed an accord Sunday aimed at promoting trade and other ties in the latest sign of a growing rapprochement between Moscow and Tokyo. The agreement Sunday will help draw much-needed Japanese investment into infrastructure projects in the cash-strapped Sakhalin region. (Reuters)

The Cuban government has released two Cuban opposition figures "with serious health problems" from prison, a dissident group has announced. Jesus Chamber Ramirez and Dessi Mendoza Rivero, jailed for distributing "enemy" propaganda, were freed late Friday, according to the Commission for Human Rights and National Reconciliation. The move follows a request for their release by the Spanish government.

Lava has cozed from the Colima volcano in western Mexico, reducing the threat of violent eruption but keeping surrounding villages on alert, local government officials said.
The authorities had evacuated 758 people from villages near the volcano. (Reuters)

IRAQ: UN Inspectors See Little Chance of Success in Rebuilding Effectiveness

Continued from Page 1 President Bill Clinton on a trip to South Korea,

said Sunday that Iraq's objections to turning over documents to UN inspectors were unreasonable, Reuters reported. "Mr. Butler has said that their response is not satisfactory," Mr. Berger said.
"He's gone back to them and asked for further information and we hope and expect to get

On Saturday, Mr. Berger repeated a warning that U.S. support for Unscom, including its unrestricted access to weapons sites and information, would be backed by military strikes if Iraq does not cooperate.

But the view inside Unscom is notably lacking the sense of a "greatly strengthened" mandate described by an adviser to Secretary-General Kofi Annan. Four senior inspectors, in interviews, said they could foresee no successful end to the panel's seven-year disarmament mission. 'The whole range of Unscom's authority has

been eroded," said a long-serving foreign mem-ber of the panel's leadership. "There is nothing we can do to return to the effectiveness we had in 1995 and 1996." Mission planners at Unscorn have begun to devise ambitious tests of Iraqi cooperation, but they say they had no new defense against Bagh-

dad's favored tactic of deflection and delay. Unscom expects neither defiance nor cooperation, according to inspectors and their diplomatic allies. Instead, they predict a return to past patterns of dissemblance aimed at frustrating the inspections without provoking open conflict.

For Mr. Clinton and Prime Minister Tony Blair of Britain, who issued and retracted attack orders last weekend, that prospect has the potential to blur their insistence that they will now strike pelled to follow Deutsche Bank's lead. Such without warning should President Saddam Hussein block efforts to uncover and eliminate banned weapons programs...

"That is the key question that is going to be hounding us in the next couple of weeks: What constitutes clear-cut nonecoperation that justifies merger discussions with the Swiss banking con-the use of force?" said a Clinton administration cern Credit Suisse and made repeated merger official. "If Iraq plays it the way they have in the overtures to Merrill Lynch & Co. this year, may past, they'll create enough grayness to make it difficult for the Russians, French and Chinese to say they re not cooperating. The hard part is what Donaldson Lufkin & Jenrette, and Paineyou do to demonstrate that he's not cooperating. Webber.

because if he's smart, he doesn't make it ob- curity Council resolutions that ended the 1991

Well-informed diplomats said that it would be two or three weeks before Unscom could confront the Iraqis with meaningful surprise inspections and that the long interval since the last searches in July made it improbable that they would discover anything in the first round. The intelligence leads Unscom relies on are highly perishable, since Iraq routinely moves its caches f documents and equipment.

"Prudent and smart Iraqi planners, and they have plenty of those, will have taken every precaution," a Unscom inspector said. "Wherever we go, we'll find an empty room, and they'll hold

the door open for us."

A series of apparently fruitless searches, in-spectors fear, will weaken Unscom politically with a Security Council long since grown weary of the struggle with Iraq.

The council has promised a "comprehensive review" of Iraq's performance under the Se-

Continued from Page 1

by a desire to have greater global reach and a stronger presence in the United States, despite its

previous ill-fated attempts to jump into invest-

Under the proposed deal, expected to be an-

Despite a cool reception on Wall Street for

nounced Monday, Deutsche Bank would pay

mergers, some U.S. institutions may feel com-

moves would probably be limited to the top tier of

U.S. banks that already have an international

presence or have stated their intentions to de-

Chase Manhattan Corp., which had serious

be on the hunt again. Other possible partners for

about \$90 a share for Bankers Trust.

velop such a presence.

technical exercise gives way to a political judg-ment," said a confident of Mr. Aman. "At some BANKS: Wall Street Wonders Whether a New Round of Megamergers Is Coming

Gulf War, with an implicit view to lifting an

eight-year oil embargo. The inspectors, one of them said, believe "the knives are out" for

Unscorn in the Russian, French and Chinese

Contrary to Unscom's expert view, the gov-

Russia and France, in particular, are pressing

erning presumption in Mr. Annan's inner circle and in the Russian and French delegations here is

for the comprehensive review to be finished by

that Iraq's disarmament is nearly complete.

delegations.

subject of renewed merger speculation, is much more financially sound than Bankers Trust and has repeatedly stated its intention to remain independent. Deutsche Bank's plunge into high-stakes in-

vestment banking is out of fashion these days. Many European and Japanese firms have already retreated from Wall Street in the past couple of years because they found it either too expensive or too difficult to break into that highly competitive world.

But by paying a premium of about \$13 for Bankers Trust over its stock price on Friday, Deutsche Bank is showing a renewed willingness to flex its muscles.

Executives close to the deal said Saturday that Frank Newman, Bankers Trust's chief executive. Co. would be made co-chief executive of the new investment banking unit created by Deutsche Alex Brown, and the Wolfensohn acquisition as Bank's acquisition of his company. It is uncertain regarded by experts as something of a bust. Chase include Lehman Brothers Holdings Inc., how long Mr. Newman plans to stay on in that

I. P. Morgan & Co., which is certain to be the former president, James Dimon, would take over

that business. Bankers Trust has 20,539 employees, with 11,399 in the United States and 9,140 overseas: ft. was already considering cutting its work force

before this merger neared its conclusion, and there will probably be substantial layoffs after that merger is announced. Although it is technically a commercial bank. Bankers Trust has more of an investment banking

profile, especially with its recent moves into equities-related businesses. The biggest move was to purchase Alex Brown of Baltimore in a deal valued at \$1 billion, It also bought National Westminst

PLC's European equities business and the U.S. investment banking boutique Wolfensohn But Banker's Trust has had a rocky start with

Bankers Trust's shares rose sharply on Friday bow long Mr. Newman plans of the merger role, almough executives involved in the merger climbing \$5.25, or 7.3 percent, to \$77.25, because of the merger speculation.

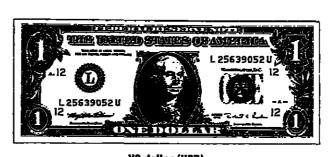
We speak numbers fluently, but do you know in how many languages?



French franc (FRF) Dexia's outstanding loans in the financing of public service facilities stood at FRF 631 billion on 30 June 1998.



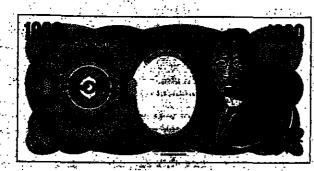
(talian lira (ITL) Dexia has a 40% stake in Crediop, the leading private bank for public service facilities in Italy. Its share of funding represented 25% of the open market for public sector on 30 June 1998.



US dollar (USD) Total outstanding commitments generated by the New York branch in public finance and project finance came to USD 3.914 billion on 30 June 1998.



Swiss franc (CHF) Experta-BIL, banking company and Dexia's Swiss fiduciary, managed assets of CHF 4.087 billion on 30 June 1998.



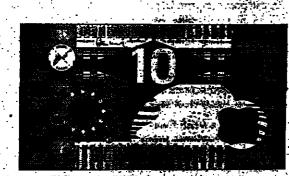
Yen (JPY) Crédit local de Françe's total outstanding bond issues (before swap) in veri stood at JPY 409.4 billion.



Dexia manages assets of AUD 205 million in Australia via AUSBIL Partners Ltd .



Pound sterling (GBP) Dexia has two outlets in the United Kingdom. BIL London focuses on asset management. Dexia Municipal Bank (GBP 1.076 billion in outstanding credits on 30/06/98) is a significant player in the social housing and major projects markets.





Belgian franc (BEF) Dexia's total outstanding deposits, all customer categories, came to BEF 2,896 billion on 30 June 1998.



Austrian schilling (ATS) Dexia has a 26% stake in Österreichische Kommunalkredit. The bank of Austrian local government posted ATS 5.33 billion in new operations on 30 June 1998.



Dexia, the banking partner for local government in Europe, was created by the merger of Crédit local de France and Crédit Communal de Belgique. Already European

Luxembourg franc (LUF) Dexia managed some LUF 885.3 billion in assets

on 30 June 1998. These activities have been

reassigned to the group's new specialised subsidiary,

Dexia Asset Management (Dexiam).

leader in the financing of public service facilities and with shareholders' equity of 6.2 billion euros, Dexia is currently expanding into Bank insurance and asset management.



Portuguese escudo (PTE) Dexia supplied the equivalent of PTE 1.004 billion towards the financing of the Tagus bridge.



Canadian dollar (CAD) Dexia is providing financing for Canadian provinces and major cities as part of its North American expansion. Outstanding loans stood at CAD 656 million on 30 June 1998.

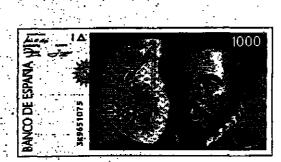


Swedish krona (SEK) Only eighteen months after startup, Dexia's Swedish subsidiary, Dexia Kommunbank AB, has total outstanding loans of SEK 5,083 billion on 30 June 1998.

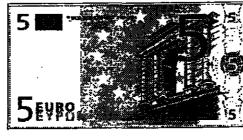




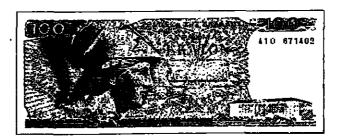
Beutsche Mark (BEM) Since the beginning of 1998, Dexia Hypothekenbank Berlin AG has issued a volume of DEM 5.5 billion on the Jumbo Pfandbriefe market These issues have been given an AAA rating.



Peseta (ESP) As part of the alliance signed in June 1998 with the group Argentaria, Dexia has acquired a 40% stake in Banco de Credito Local, the leading banker of Spanish local authorities.



Euro (EUR) On 15 September 1998, the market capitalisation of the group totalled 9.5 billion euros.



Greek dracma (GRD)

As part of a partnership agreement signed in early 1997, Dexia has been acting as advisor to the Greek national savings and deposits bank, in the areas of risk analysis, lending and resources policy.





Pyongyang Mischief

North Korea soon will begin adfirst time, albeit on a tightly circumscribed innerary. This is a fruit of President Kim Dae Jung's policy of engagement with the secretive and hostile North. Mr. Kim hopes gradually to defang his Communist neighbor through business investments and oth-

er contacts of various kinds. The difficulty of this endeavor is illustrated by a different sort of tourism that the North is proposing. U.S. in-telligence agencies have detected a vast, underground construction project that U.S. officials suspect may support nuclear weapons development. This would shred a 1994 agreement under which North Korea promised to freeze its nuclear weapons program in return for two energy-generating nuclear reactors and a large amount of fuel oil, to be supplied mostly by Japan, South Korca and the United States.

Last week U.S. officials visited Pyongyang to request access to the underground site. North Koreans offered a tour — for a fee of \$300 million, U.S. officials, you will be glad to learn, declined to pay. Discussions are expected to continue.

North Korea essentially blackmailed the West into the nuclear deal; now it is trying to up the ransom. And no wonder; its economy is more of a wreck than ever. A recent United Nations survey found that 62 percent of

ted by mainutrition and that 16 percent are severely malnourished. Yet North Korea's Stalinist dictatorship continues to pump money into its vast mil-itary. On Aug. 31 it shot a missile directly across Japanese territory and, according to a Washington Post story (IHT, Nov. 21), it is expanding its short-

and medium-range missile programs. President Bill Clinton, in Tokyo on Friday, said North Korea's conditions for a site inspection are "completely unacceptable," but he is not ready yet to give up on the 1994 agreement. Japan is upset that the United States did not react more forcefully to the Aug. 31 missile launch, but South Korea does not want Mr. Clinton to do anything to jeopardize its policy of engagement. Mr. Kim wants to guide North Korea

toward a "soft landing" — toward a program of gradual reform that would prevent both war and collapse, two live possibilities. That is Mr. Clinton's idea, too, as he reiterated on Saturday in Seoul. But wanting something does not mean it is feasible. Mr. Clinton has asked former Defense Secretary William Perry to review U.S. policy toward North Korea. "We are at a critical juncture in our relations with Pyongyang. Secretary of State Madeleine Albright said on Friday. If blackmail and blandishments are not working, there should be no pretense that they are.

—THE WASHINGTON POST.

Hurry Up in Jakarta

After 32 years of dictatorship under President Suharto, Indonesians are understandably eager for free elections. President B. J. Habibie must move faster in providing them and avoid the Suharto-style repression he has flirted with in recent weeks.

Mr. Habibie, who was Mr. Suharto's protégé, took over when his mentor was forced from power last May. He has made some limited steps toward democracy. But instead of seeking legitimacy through early elections, he has stretched out what should have been a brief transition.

This month, students returned to the streets of Jakarta for the largest demonstrations since the fall of Mr. Suharto. They were protesting the slow pace of Mr. Habibie's transition timetable, his anemic efforts to recover money stolen by the Suharto family, and the military's continued role in government. Unlike last May, the protests were not joined by the middle class, but they did draw support from the far more numerous, and desperate, urban poor.

Security forces overreacted, killing several students. Mr. Habibie seized on the violent crackdown as a pretext for interrogating several opposition political figures.

He is pushing ahead with plans that would defer selection of the next president until the end of 1999. Even then, the choice would not be made by voters but by a partially elected assembly likely to include large numbers of military officers and government ap-pointees. It will lack the legitimacy to carry out painful economic reforms or

cope with popular protests. This week, Indonesia's Parliament will consider the army's future role in politics. Mr. Habibie and his political allies want the army to retain its hand in selecting presidents for five to 10 more years. That kind of military influence has no place in a democratic Indonesia. A quicker, cleaner transition to full civilian democracy is needed, and Washington should not be shy about saying so. - THE NEW YORK TIMES

Get Down to the Case

The House Judiciary Committee's first hearing into the possible impeachment of President Bill Clinton could not have been a more disappointing spectacle for anyone seeking a serious and fair examination of how the charges against Mr. Clinton should be resolved. Kenneth Starr's testimony was, generally speaking, a credible defense of his own investigation and a useful refocusing of the Monica Lewinsky imbroglio on the conduct of the president. But the hearing otherwise failed utterly to approach the matter at

hand with even a pretense of rigor. Mr. Starr's testimony described a deliberate quality in the president's deceptions: that Mr. Clinton, far from being sandbagged in his deposition, meant to mislead the court and to get Ms. Lewinsky to do the same. One might think that this construction of the evidence would have been provocative and worth exploring. Yet the Democrats avoided, at all costs, discussing the substance of the allegations against Mr. Clinton, preferring to make pious speeches about the presumed defects of the prosecutors. And the Republicans meanwhile sought generally to defend the prosecutors, while making pious speeches about the rule of law and the president's misdeeds. Neither side evidenced much desire to use Mr. Starr's testimony as an opportunity to clarify or expand the factual record.

Then again, had the developing of facts been the objective. Mr. Starr would not have been the chief witness in the first place. His testimony was not itself evidence but a kind of commentary on the evidence, which is no kind of substitute for the committee's own fact-finding. The committee cannot disregard its obligation to establish its own judgments based on a full factual

record merely because the case against Mr. Clinton did not collapse after the testimony of the prosecutor. And questions remain about which Mr. Starr's evidence is equivocal - even if his conclusions are stated firmly.

Mr. Starr's testimony was mainly important because of the persistent questions about his own behavior. But while presidential lawyer David Kendall managed to make him look bad at times. Democrats never once credibly argued that any of his errors or misdeeds undermined any of the factual contentions that the prosecutor had made in his referral. Even on those points where Mr. Starr's testimony seemed inadequate and more information would still be useful - such as Mr. Starr's failure to address directly the question of how the Lewinsky matter first came to his attention - the Democrats achieved nothing save the satisfaction of seeing him momentarily flustered.

The path ahead should be clear. While speed is important in the committee's consideration of this matter, it does not obviate the need to address as rigorously as possible the questions on which the evidence is still less than crystalline -- such as whether Mr. Clinton instructed Betty Currie to retrieve gifts that he had given to Ms. Lewinksy. This means deposing some of the cen-

tral players in the Lewinksy drama. Mr. Starr's testimony and the questioning that followed it suggest that whatever errors the prosecutor has made — and we believe there have been several of considerable magnitude — they will not save the president from accountability in this matter. This fact, however, should not entitle the committee merely to piggyback on Mr. Starr's prior investigation.

- THE WASHINGTON POST

Herald Eribune

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In Bosnia, Calls to Agree on a Common History

NEW YORK — Yugoslavia, it has been said, always produced more history than it could consume. Bosnia war but one each for Muslims, Croats and Serbs, all contradictory. The division of memory along ethnic fault lines has produced a cycle of killing and revenge in the Balkans for more than a thousand years.

To try to break the cycle, some citizens' groups in Bosnia are proposing a commission to write a common history. The goal may be elusive, but it is well worth a try. The idea shows how more and more nations emerging from tyranny or war are designing independent groups, commonly known as truth commissions, to examine the causes and tell the full story of past crimes. But each country is adapting the idea to its own circumstances.

The Bosnian war has strengthened each ethnic group's sense of victim-ization. Many Serbs fervently believe that only Serbs suffered, and if they acknowledge that Serbs killed, they argue self-defense. Some Serbian war criminals are revered as beroes.

The same is true of many Muslims and Croats, Because Bosnia's schools

By Tina Rosenberg

today has not one history of the recent and media reinforce these nationalist myths, the children who are absorbing them will be tinder someday when a demagogue like Slobodan Milosevic comes along to incite them to kill rather than be victimized again.

The International Criminal Tribunal for the former Yugoslavia, based in The Hague, was supposed to dampen these myths by personalizing guilt in individuals rather than in whole ethnic groups, and prosecuting accused criminals of all ethnicities (although most are Serbs, who committed the vast majority of Bosnia's atrocities).

cause. It is far away and run by outsiders, and has not been able to get NATO to capture the top criminals. People in Bosnia learn of its activities mainly through their propaganda-filled media. It has been easy for Serbs to dismiss the tribunal as anti-Serbian.

covering from tyranny or war are finding that justice, while crucial, can play

only a limited role in healing. In Latin America, new democracies

and their judicial systems were too weak to combat amnesties that the militaries issued themselves. So they

formed truth commissions as consolation prizes -- if they could not attain justice, the commissions could at least officially acknowledge the victims' suffering and help them discover what happened in the secret torture cham-

bers and killing fields.
In South Africa, where the new government felt less threatened by the old, the truth commission was able to offer amnesty to those who confessed their roles in political crimes. Bosnia would need a different type of body, which should probably be called a

orical commission, since the concept But the tribunal can do little for this of truth is so politicized. It would com-plement the Hague tribunal by allowing the Bosmans memselves to try to write a common account of the war, embracing the suffering of all sides. Dozens of citizens' groups, small political parties and the media back the

idea, which was first set forth in a side All over the world, countries reagreement to the Dayton peace accords. Some Serbs have said that a post-World War II truth commission might

have helped prevent the Bosnian war: Even leaders from all three groups

have indicated support - perhaps because each is sure that his group's version of history will be vindicated. The strongest reservations, ironically, come from the Hague ribunal,

whose members fear that witnesses might choose to tell their stories to the commission rather than to the tribunal. This is a reasonable fear, but the commission could be structured so that the Hague tribunal takes precedence. A draft proposal written by the U.S.

Institute of Peace suggests that the com-mission include Bosnians from all ethnicities, selected by an international board after public consultation in Bos-nia and approved by Bosnia's collective presidency. The commission's chair-person would be a foreigner. Since the tribunal and domestic war crime prose ecutions exist, it would not be necessary to identify perpetrators by name.

The pathologies that the commission would be trying to cure could keep it from doing its job. The commissioners could divide along ethnic lines. Hard-liners could try to intimidate witnesses, or reject the report. But support for the idea among Bosnians of all ethnicities

is a sign that it has a chance.

Upshot in Iraq: Saddam Endures, but So Do Sanctions

WASHINGTON -- Let us By Stephen S. Rosenfeld score President Bill Clin-

ton's recent Iraq crisis. He kept the oil embargo and First, none of Iraq's terror the other internationally apweapons were found or put out of commission, and Saddam proved economic sanctions on. Some contend that this does not Hussein remains in power. matter all that much to a Saddam These are the key strategic conindifferent to his own people's siderations, and the commandprivations. But it matters urgently to a Saddam desperate to ing debits on the balance sheet. They ensure that Bill Clinton's restore the military strength that crisis, which arose from George is the basis of his regional and Bush's failure to finish Saddam personal ambitions. He brought the Atlantic aloff in the Gulf War, will go on.

liance, the Security Council's other powers, the Arab consensus and everyone else who counts - the whole familiar gang of evaders and equivocators - into support of the proinspection, pro-compliance po-sition in the showdown with August was the trigger of this Irag. As the clock ticked down on the attack plans, Saddam inspectors cannot guarantee to Hussein found himself alone. uncover hidden troves of terror, He doused at least until the

next test the widespread suspicions that he was a hesitant, "cruise missile president" unprepared to bring heavy military force to bear. He managed this crisis by

making a credible military threat and then, to keep from being cast as the aggressor, by quickly sheathing that threat when Saddam made his lastminute change of mind and admitted the inspectors.

He kept intact a stern and unanimous Security Council position requiring Saddam to satisfy the full demands of the inspectors before the council takes up Saddam's demands for relief from the oil embargo. To reinforce U.S. demands, American planes and missiles are remaining on station and on alert for some period of time.

He opened, perhaps to his own surprise, a potentially useful alternate line of policy di-rected at supporting a "new

diplo-talk, he started adding to . the continuing policy of the containment of Saddam a new element aimed at the replacement or overthrow of Saddam. Tough guy that he is, Saddam

has to consider what this ele-ment might someday bring. Last February, Mr. Clinton looked like a failure, having lost virtually all traces of realism, initiative, coherence and nerve in his approach to Saddam. In November he may not be visibly closer to terminating the military threat posed by the Iraqi dictator or to terminating his rale, but he has reduced his embarrassments by assembling the elements of a policy to limit the damages — including the political damages in Washington.

The Clinton administration's explanation of the turn centers. on what it describes as its decision to shift the general focus from America's troubled pergovernment" somehow to chal-lenge Saddam Hussein. Or, in pliance with UN resolutions

and his continuing threat to the stability and peace of the region. Saddam's inspection shutdown of Aug. 5 provided 1

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Participation

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PERSON LONG

the requisite occasion. The result, as the adminis-tration now sees it, is the current squeeze on an isolated Saddam. Either he will comply — this is considered unlikely, although not to be entirely dismissed before the fact - or the American people and others will see that the United States occupies the moral high ground and will support the use of force, however problematic the consequences.

Again I note that none of this ensures the ouster of Saddam or the full revealing of his menacing armory and arsenal. But it is a politically sustainable way at least to distract and burden him and to contain his capacity for making trouble. It is the belter part of wisdom to acknowledge that more than that may

The Anti-Impeachment Republicans Should Call a Halt

WASHINGTON — Kenneth Starr's long day of testimony before the House Judiciary Committee on Thursday proved one thing with certainty: President Bill Clinton cannot be impeached on the current evidence without ripping apart the country and putting Congress's legitimacy at risk.

In daily, tactical terms,

He got the international arms

inspectors back into Iraq. Sad-

dam's squeezing them out in

crisis. Even in the best of cir-

cumstances, which do not exist.

but the inspections offer a

proven better immediate pros-

pect of further disclosure than

anything else that is at hand.

however, President Clinton has

something to show.

Fortunately, a significant and growing group of Republicans knows this. By preventing the House from throwing the country into turmoil, they will emerge as the quiet patriots of this sickly mess.

Even before the independent counsel spoke a word, the untenable nature of the process was put on public display. At first. House Judiciary Committee Chairman Henry Hyde gave smart, polite and controlled, if David Kendall, Mr. Clinton's more than a tritle righteous. Re-

BELING—China's crack-down on smugglers has

far-reaching implications for

its economy, including foreign trade and domestic prices.

China's imports is in one way

or another related to smug-

gling, the success of the crack-

down means that imports will

fall sharply in the next year or

two. Domestic producers will

search for substitute raw ma-

terials and equipment, but will

exports decline, its trade sur-

plus will grow because im-ports will fall much faster. Im-

ports of cheap raw materials

and equipment have under-

pinned China's export boom

for years, but the anti-smug-

As some companies have

gling campaign has put export

used letters of credit to obtain

foreign exchange from gov-

ernment banks illegally,

bankers are now being pun-ished for colluding with, or

turning a blind eye to, foreign

exchange cheats. But the

banks simply cannot afford

the costs of tracking how their

customers will use trade fi-

nance, let alone of ensuring

compliance. To avoid the

blame, some banks have star-

ted to shy away from issuing

letters of credit, even to le-

firms that are suspected of be-

ing smuggling agents will be

hun badly. Taiwan's trade with

As Beijing celebrates the

China will be similarly hurt.

Many Hong Kong trading

gitimate importers.

growth in jeopardy.

Even if the country's total

have to pay higher prices.

As a large proportion of

estion Starr, This threw Hvde abandoned any Democrats into a fit. If Republicans were serious about building a public consensus for impeaching the president, they would have gone out of their way to subject Mr. Starr and his

evidence to every test, and give the White House every opportunity to make its case. But this hearing was about something else: a public relations exercise designed to shore

up Mr. Starr's image and to satisfy Republican fire-breathers who probably spend even their sleeping hours dreaming of driving Mr. Clinton from office. The effort on behalf of Mr. Starr worked. He came off as counsel, only 30 minutes to publicans, including Chairman

What Smuggling Did for China

By Joe Zhang

success of its anti-smuggling

campaign, it should acknow-ledge the smugglers great contributions to the Chinese

economy. It should ask itself:

Why was smuggling so rampant until recently? The only reasons for smug-

gling are price differentials

(largely due to high import

For decades, domestic sec-

tors monopolized by the

Chinese government have been shielded from domestic

and foreign competition. Inefficiency has translated into higher product prices. The vic-

tims were domestic consumers

and the economy's efficiency.

of illegality and moral judg-

ment, smuggling has done the

Chinese economy a big favor

hy cracking open the protec-

tionist fortress and forcing

Chinese companies to reduce

their stockpiles of goods and

For decades, Chinese

companies have resisted price

adjustments by building in-

ventories financed by bank

loans. Smuggling, together

with banks' growing reluc-

tance to finance more inven-

tories, has forced Chinese

companies to reduce stock

attest that its property sector's

glut is like to the country's

industrial glut. If only smug-

glers could force a de-stock-

ing onto the property sector!

Any visitor to Shanghai can

levels since mid-1997.

become more efficient.

Leaving aside the questions

tariffs) or import restrictions.

of objectivity and acted as deferential cheerleaders.

But some of the sheen was taken off by the resignation on Friday of Mr. Starr's ethics adviser, Sam Dash, who said that by testifying Mr. Starr had become "an aggressive advo-cate" who had "unlawfully intruded" on Congress's im-

peachment power. Within minutes of Thursday's opening gavel, Demo-crats underscored how partisan the fight over Clinton has become. William Delahunt of Massachusetts forced a roll call vote on a proposal to let Mr. Kendall question Mr. Starr more fully. The party-line vote against Mr. Delahunt's motion made the point. Sheila Jackson

Many Chinese companies will benefit from the anti-

smuggling campaign. Among them are those in the petro-chemical, iron and steel, to-

bacco, pulp and paper, and

The biggest loser is the con-

sumer, along with the much needed lowering of prices in the economy. Partly as a result

of the anti-smuggling drive,

the government has managed

to engineer a modest price rise

in certain products, but the jury

is still out on this issue. Many

state sector firms have just star-

ted to understand that prices

to these spoiled state-owned

firms. The recent price rises

induced by the anti-smuggling

drive are largely one-off be-

cause they are chiefly due to bottlenecks in China's distri-

Excited by the sudden de-

mand for certain products.

suppliers who still have big

inventories will act to meet the

"shortage." Yet producers will only need to increase their

output slightly to cause prices

smugglers, but it urgently

needs an efficient free market

mechanism in their place.

China may have lost its

The writer, formerly a man-

ager at China's central bank,

is head of China research at HSBC Securities in Hong

Kong. He contributed this

comment to the International

Herald Tribune.

bution system.

to plummet.

Chinese banks only recently began to tighten loans

can go down as well as up.

utomobile sectors.

argued that justice is blind, but we've never argued that justice is gagged."

There is little dispute about

the underlying facts. They put the president in a bad light, which is why Democrats spoke so little about them. What is divisive is whether

the agreed-upon facts warrant impeachment. Democrats and it appears, a substantial majority of the country believe that the president did wrong but should not be punished by impeachment. The plansibility of this view

was underscored in a thoughtful exchange between Mr. Starr and Rick Boucher, a Virginia Demo-crat. Mr. Boucher noted, and Mr. Starr agreed, that if Mr. Clinton committed perjury, a prosecutor was free to bring a case against him after he left office. This, Mr. Boucher argued, preserved the principle that a president is not-above the law, without putting the country through the torture

In another useful line of questioning, Charles Schumer, Democrat of New York, made clear that it would be very hard to prove that the president obstructed justice. Mr. Clinton's efforts to help Monica Lewinsky find a job began long before she was a witness in the Paula Iones case. And his alleged coaching of his secretary Betty Curie's memory took place before she had received any subpoenas.

Mr. Starr himself further narrowed the issue by declaring that he had found no evidence

By E. J. Dionne January and Lee of Texas offered the define against the president in Filegale itive sound bite: "We have at- of Travelgate. This prompted Barney Frank, Democrat of Massachusetts, to ask why lie had not passed these facts to Congress before the elections. It was a fair question that Mr. Staff

did not adequately answer. Indeed, for all of Mr. Starr's reasonableness, he could be remarkably evasive. His testimony was chittered with the sorts of phrases that Mr. Clinton and his aides have made famous: "I do not have a recol-lection," "I will search my re-collection" and "I'm rack

recalling that." Mr. Kendall scored by questioning Mr. Starr's account of how Monica Lewinsky was treated when first interrogated by Mr. Starr's investigators in January - and whether she was encouraged to tape the president surreptitiously. Mr. Kendall and Zoe Lofgren of Califormia also asked whether Mr. Starr had contemplated using Mr. Clinton's relations with women against him long before

Ms. Lewinsky showed up. Republicans could push on, calling in more lawyers to talk about sex and perjury. Or they could vote and shut this em-

barrassment down. Bob Barr, Republication Georgia, knows that anti-intpeachment Republicans hold the power to do so. "There are a lot of Republicans who don't have the stomach for this," Mr. Barr, an impeachment hard liner, told reporters after the hearings. He is right — and a

good thing, too. The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Seoul Riots CHEMULPO - Rioting is go-

ing on at Seoul between the adherents of the Independence Chub and the Opposition. Several Coreans have been killed and many wounded. A disturbing factor in Corean local affairs is the political reform party, known as the Independence Club. In as much as the people have absolutely no voice in the Govemment, the fact that the Emperor allowed this organization to exist was regarded as a hopeful sign. The latter made the announcement that their objective was to rid their sovereign of the host of courtpt office holders.

1923: Fake Guides

PARIS .— The pestering of tourists visiting museums by so-called guides, whose stories

hand by the French Government Mr. Leon, Director of Fine Arts, is determined to combat the evile He proposes to have specially trained guides, speaking a respectable number of languages, who will have to pass a kind of the special examination, after which they will become licensed guides and will wear a distinctive badge.

1948: Sartre Sues PARIS - Jean-Paul Saure succi

his French publisher for authorizing an American adaptation of his latest play. "Les Mains Sales." The American version "Red Gloves" is making "post of money." The aposte of critical and the same an istentialism is not satisfied as the American version has entirely distorted his thought. In "Les Mains Sales" M. Sartre discussed the case of conscience of called guides, whose stories about certain objects would be really wonderful if they were true, is being taken schoinsly in anti-Communist bias:

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LANGUAGE

Save Space With Finger-Snapping Brokerese

By William Safire

status your transfer request 24 hours a day," Fidelity Investments wrote Yvonne Freund of Bellevue, Washington. She imme-

wrote me, "Is this English?"
Not Standard English Rather, that new verbal status of status is in the jargon of finger-snapping brokerese. The purpose of making a verb out of the noun status; meaning "standing" or I figuratively raced over to Health "condition," is seemingly to save and Human Services; formerly Health, space: The old way, to learn the status of, takes up valuable room that might be utilized for hot stock tips.

I say "seemingly" because the real purpose of most nonn-verbing is to give shall a said, "final spectating is indeed a legitimate back-formation of spectators." On second thought, she wished "An alarm system is affixed to this

door that will make howrific noises and instead had encouraged employees "to summon heavily armed police officers to haul you off to jail if you open it."

And yet it conjures a mental picture of a lim of two minds about ambivalent) summon heavily armed police officers door with an alarmed expression on its face, evoking a "There, there, maybe you need therapy" from passers by. If the verb statused is too short-handed, and alarmed is indicrous, what about impacted? Can you say, "That will impact an election," instead of

"That will have an impact on it"? I think so. The reason is that it has withstood the test of a generation-long derision. Remember prioritize? That squeezing of "give priority to" was notation than the noun and verb com-subjected to withering fire from pre-ment, I'd hold off on spectate. Too scriptivists and other self-appointed guardians of good usage, and we won.

When a government official uses pribritize today, he identifies himself as a raging bureaucrat and is hooted at by aesthetes who find that an "ugly" word. (The -ize do not have it.)

Impact, on the contrary, strikes me as losing its preceding have an and "a nebbish and a schlumpeh." My succeeding on. Although the past parNew York Times copy editor. Linda ticiple can be traced to 1601, purists Colm, asked, "Do you mean shlump?" will continue to object to any use of I insisted on the long form. impact as a verb. My hat is off to them This prompted a note from Sol because they force the language change Steinmetz, the yexicographer: "You

of status may stop its pompous-seem- lumpeh is problematic, because actu-EWYORK - "You can now do not always impact new usage. ing verbification. But their objections ally there's no such word." He ac-

of Bellevue, Washington She imme human services, pushing a department-diately statused her vocabulary and all health outling, by walking, running,

bring added value." (He means "when they add value.") "This one, not!"

spun off Education and Welfare became a word to avoid. "My trusty Merriam-Webster Web site tells me," she had not used the gerund form and

until I thought the new verb through in the light of status and impact.

coined in 1709. But its use has been rare, and we should apply Rosen's Value-Added Criterion. Does it supply a meaning not covered by the simple 'watch'' or "cheer"?

... Although I like commentate, which has a more media-opinionated conment, I'd hold off on spectate. Too soon to buy in formal writing. Bears

calumniator began with a story about a Jewish matchmaker. A character in the story, named Sammy, was identified as

to go through a crucible, and in the case spelled nebbish correctly, but sch knowledged the German word

Let's try another. "I am encourschlampe, which means "a slovenly
aging you to participate," wrote female or slut," but noted that I could
Donna Shalala, secretary of health and not have applied it to Sammy because the word is feminine.

"In Yiddish, there's a related word, Spectating or volunteering."

Saul Rosen of Maryland said, "Coinfectual person," wrote the ever-helpful ages are worthwhile only when they

Steinmetz. "The word I think you meant to use was the American English slang noun shlump, which derives from and means the same as the Yiddish shlumper." He cited Joseph Heller's usage in his 1979 novel, "Good as Gold": "an odious shlump who made war gladly."

As winking wonks say in Mel Krupin's Bethesda deli, I nonconcur. All my life I have had poor posture. This is not a source of pride; I can hear the voice of Ida Safir, my mother, saying "Rilly at and the safir." saying, "Billy, stand up straight — why must you be such a schlumpeh?" She may have derived this from the Scandinavian slumpa, "to fall," the root of the English slump, as in "You call a thousand-point drop in the stock market a slump?" The pronunciation There's no doubt that the verbal of the final syllable was more of a form is in the language. The OED has it schwa than an er. The meaning was coined in 1700 Best in meaning the schwa than an er. "one who stooped" but not neces-sarily "one who is stupid."

It could be that the picture of a person with shoulders hunched forward would lead to the extension of meaning of "slovenly, ineffectual," as Steinmetz now defines the Yiddish term. At any rate, the final syllable has been clipped in its adoption in American slang, and the meaning of shlump has become synonymous with nebbish, 'a pitifully ineffectual loser."

The word once served me well. In A recent polemic by a right-wing army basic training, a lieutenant snapped at me, "Why can't you stand straight at attention, soldier?" I remembered my mother's usage, and promptly replied, "Because I'm a sch-lumpeh, sir!" He must have thought it ent membership in an esoteric band of fierce warriors, because he never bothered me after that.

INTERNATIONAL

اعكذا من الأعل

For Sale: Bonn's Nuclear Super-Bunker

By William Drozdiak Washington Post Service

MARIENTHAL, Germany - For many years, its very existence was considered a sensitive state secret. But now that the threat of nuclear warfare has diminished, the German government has decided the time has come to sell off one of the crown jewels of the Cold

Burrowed deep within the hillside vineyards of the Ahr Valley about 30 kilometers (20 miles) south of Bonn, the lame-duck capital, an extensive subterranean bunker that was designed to shield Germany's political hierarchy from the hazards of nuclear blasts has been put up for sale.

Until December, German official-dom had refused even to confirm the presence of the facility. But with government ministries preparing to move next year to Berlin and the risk of an enemy missile attack becoming a distant memory, the state property sales office has launched an advertising campaign in leading German newspapers hoping to attract potential investors. "We realize it may be difficult to find

someone with the right concept for this place," said Thomas Hofmann, director of the government property office, during a recent tour of what was euphemistically called the Alternative Location for Federal Constitutional Organs. "It's a hard sell. Just the idea of buying a nuclear bunker scares a lot of people.

The labyrinthine complex, designed as a train tunnel before World War I and later used by the Nazis for the secure assembly of V-2 rockets, was built at a cost of more than \$1 billion after the 1962 Cuban missile crisis to shelter top government officials. It consists of more than 1,000 offices and bedrooms, furnished in a drab, Spartan manner that accentuates the Dr. Strangelove atmo-

Visitors must pass through a series of thick steel-and-concrete doors to enter the enormous shaft hollowed 92 meters (300 feet) into a mountain of loose rock that was supposed to disperse the impact of a nuclear blast. Eighteen kilometers of corridors snake through the facility, along with an endless tangle of tubes and pipes to supply electricity and fresh air that is filtered through sand and coal to remove any contamination.

The clandestine bunker was supposed to ensure the survival of the German leadership, including the chancellor, top ministers, key members of Parliament and the supreme court, and to permit essential parts of the govat least one month. Its construction was ordered by a secret NATO directive because of Germany's unique importance to the Western alliance; no other



GERMAN REMEMBRANCE - A memorial at the garrison cemetery in Tempelhof, Berlin, to the fallen of World War I captured the spirit of Totensonntag, the Sunday the dead are commemorated.

European country went to such elab- the right price, for the right purpose, is orate lengths to shield its state oper-

ations in wartime. Each year, thousands of government and military officials would occupy the facility for training exercises on how to sustain state functions in the event of war. The bunker was stocked with enough provisions to enable as many as 3,000 officials to live independently

through a nuclear winter for 30 days. "The question on everybody's mind was what the outside world would look like when the doors were opened on the 31st day," said Joachim Schraeder, the bunker's chief custodian. "Thank God it never had to be used in a real emer-

Apart from the elaborate security, conditions inside the bunker remain de cidedly austere. Even the chancellor's quarters resemble a monkish abode, consisting of a small office area and a sleeping chamber equipped with a tiny cot that would have had trouble ac-commodating the 135-kilogram (300-pound) frame of former Chancellor Helmut Kohl.

There are no visible recreation facilities, apart from a brightly lit reading room adorned with a wall-sized poster of a Caribbean sunset. The cabinet room is still jammed with maps and secure telephones to track the progress of a nuclear war and maintain communications with allied capitals.

Mr. Hofmann said besides getting rid of a leviathan that carries such morbid overtones from the Cold War, the government expects to save millions of dollars a year in maintenance costs. But finding somebody who is willing to pay

proving difficult.

He said the state property office had received nearly 100 inquiries about the sale of the nuclear bunker, 16 of them specific offers. Some of the proposals call for transforming the place into a computer-chip factory or a laboratory for physical and chemical experiments.

One potential investor has submitted plans for converting the vast tunnels into one of the world's biggest wine cellars. Another possible buyer wants to grow mushrooms there, while others suggest turning the place into a vast discotheque or a luxury hotel that would include a living historical monument to the Cold War.

Mr. Hofmann said the government had refused to set a price and was seeking more offers.

■ Lawsuit Over Hitler Retreat

Arabian investors plan to sue the Bavarian state government over a decision to retain control of Hitler's retreat on Obersalzberg in the Bavarian Alps, claiming they lost 1 million Deutsche marks (\$595,000) competing to install a tourist center there. The Associated Press reported Sunday from Munich, quoting a report in Focus magazine.

The Munich-based newsweekly said that during two years of negotiations with the Bavarian Finance Ministry, the group had offered to invest 180 million DM in the project and were misled about their chances.

The state finance minister, Kurt Faltlhauser, said Friday that an old hotel on the Obersalzberg site would be razed to make way for a luxury 200-bed hotel.

BOOKS

BLUE LICHT

By Walter Mosley. 296 pages. \$24. Little, Brown. Reviewed by Carolyn See

WAIT a minute! If a person is covered head to toe with seriously infected burns, how can doctors put him in a straitjacket for weeks at a time and expect him to go on living? This is a question that comes up three peges from the end of this story, but by that time the about internal consistency that it is north.

about internal consistency that it is north.

about internal consistency that it is north.

about sentent in in 19th-continued and Mignel de Unless. If Waiter Mosles grant, for it is north about sentent trees in "The Tragic
bone to haul luige prehistoric stone gots. Sense of Life"). So it isn't exactly new
down to a ghost town in the Northern knowledge that Orde is challenging.

People who love Mosley are going to have their affections sorely strained Mosley, whose Easy Rawlins detective mystery series has gained a large and

even be the same man whose prose used to be as easy-seeming as his detective's

The time is the '60s, the place Berke-ley and most of Northern California. A shower of shining blue lights comes zooming in from an unknown location in the universe, and wherever they land they transform their unwitting targets into themselves, only more so. For example, an intelligent young woman named Nesta becomes the Repository of All Intelligence. A sexy young woman

named Claudia becomes the Goddess of

into the prophet Orde. His insights turn into generie, acid perceptions of the then First-Light.

60s sescept that Ralph Waldo Emerson had already covered much of the been conflicted because of his black down to a ghost town in the Northern knowledge that Orde is challenging: California woods, using teams of super The whole planet is alive, animals have naturally tamed bears, when everyone bears and souls, and trees are singing could just as easily be using ordinary pots to its all the time, except that generally and pans to cook in, why not? More to the speaking we're too dead and spiritually point, who cares? a pasticularly unsolicitous phrase, Mosley's parrator refers to giant sequoias that have been hit by blue light as "bellowing trees," so that even the

fiction. The book jacket here reports ommously that "Blue Light" is only "the prelude to a projected trilogy," so I guess that means we won't be seeing Easy for a while. It's a shame.

It's not that Mosley should limit himself to the detective genre. Indeed, he's already written literary fiction and done well with it. But "Blue Light" is terribly disappointing. In fact, it's derivative, solemn and frightfully dull, a mishmash of old "Highlander" episodes that leaves you shaking your head. Can this even be the same man whose prose used to be as easy, seeming or his done of the detective genre. Indeed, he's already written literary fiction and done well with it. But "Blue Light" is terribly disappointing. In fact, it's derivative, solemn and frightfully dull, a mishmash of old "Highlander" episodes that leaves you shaking your head. Can this even be the same man whose prose used to be as easy, seeming or his done in the seem of the book in these encounters all through the book. is pretty hard to kill death, especially if you use only guns and sticks and axes and obviously these weapons aren't going to faze him. You'd think that might occur to some of these People of Increased Canada and the street of the server and the street of the server and the s pacity, but they're too busy staging sex orgies and drinking each other's blood in Part 2, and by Part 3 they're all out in the woods making clothes out of mashed-up pine needles and hanling those stone pots

Those who get hit straight on by the All Sex, and the scenes that follow from light are called "Blues"; those who that (with barely clad semi-comatose love slaves standing at the ready to slake Claudia's unslakeable desires) are pretty is told by a Half-Light, a man of depcy and embarrassing. we mustn't forget the feckless hippie con man standing around in a park
who gets hit by the blue light and turns
into the mustn't forget the feckless hipthis is more of an allegory than science
to permit essential parts of the govemment to function in a secure place for
into the mustn't forget the feckless hipthis is more of an allegory than science
to permit essential parts of the govemment to function in a secure place for
at least one most. Chance — just as a beautiful young girl is called Julia at first, then Alacrity,

> father, who deserted the family, and his white mother, whom he can't seem to care about. He's been severely tempted by the idea of snicide, and for the first half of the book is at least as close to death as he is to life. (Surely it's important in this narrative that death is referred to as Gray Man when he could have been called anything else, anything but what results when you combine the colors black and white.)

There are many other characters, named Preets and Allitar and Trini and Winch. They all thrash around affected in one way or another by the blue light. It's never made clear if the bears have

the Hasy Rawlins stories? You won't find any of that here in "Blue Light." It's understandable that Mosley might not want to end up as the African American Sue Grafton, enslaved by a fictional trapped in a genre that he may have outgrown. But when I think of that "projected trilogy," my heart sinks. He's way too good a writer to do that to

Carolyn See reviews books regularly for The Washington Post.

IN THIS WEEK'S ISSUE

- **Europe's bosses** under fire
- Can Philips' **CEO** hang onto the helm?
- The battle for south-east Asia's capital markets





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BRIDGE

By Alan Truscott

ANY will recall the with Roger Stem in the South position. Like Father William he is old, but only in the sense of bridge seniority his major are old, Father William and of bridge semiority: his major yet you incessantly stand on bridge accomplishments were your head. Do you think, at in the 1960s and 70s, and he is your age, it is right?"

· Bridge experts frequently stand on their heads, in a techmeal way, if they are con-

4 A Q 6 2

♥KJ7.4 0.102 PS DAG

A Q 105 side was val North East 1'4 Pass 2 4 Pass 1 7 Pass

vinced that a normal vertical posture offers no hope. An ex-ample is the diagramed deal, with Roger Stern in the South

The deal was played during the animal expert-member night of the Harmonie Club, 4 East 60th Street in New York. Stern and his wife, Sandy, fmished second in the expert category, behind Gail Greenberg and this writer. Memberguest winners were Mickey Greenbaum and Richard Fer-

The normal contract for North-South is four spades, which is doomed by the location of the missing trump honors. Three no-trump is an inferior alternative, which was reached when North failed to insist on spades after the fit in that suit had been

A heart was led, and South A near was annuny in some gloom. The chance of making nine tricks was poor, and suc-

match-point terms if other Dummy's heart ten was a North-South pairs were col-stopper if East was on lead. lecting 420 in four spades.

The heart lead was ducked, and East won with the king business. He ran four diaand returned the four. West's mond winners reaching the queen was taken with the ace, and South thought it over. He then decided to stand on his was thrown from the dummy head and make a totally abnormal play: a club from Now a club was led, forcing

that his cause was hopeless if West held a top club honor. spades.

NORTH WEST

cess was likely to be a failure: The defense would surely be 400 for making three no- able to take three heart tricks trump would be useless in and at least two club tricks. stopper if East was on lead. When East played low and

the queen won, South was in

ending shown at right. On the last diamond a heart and East gave up the club six. duminy to the queen.

This was obviously against two spade tricks at the finish.
the odds and risked a heavy
The game was made for a top

score, since the normal result

> Bast missed two chances. Taking the top clubs when the suit was led, with a third round of clubs to follow, would have been effective. So would a discard of a top club EAST in the diagramed position. KJ But even those defenses would have allowed South to make eight tricks for an av-

erage score. Standing on one's head can impress the gallery, but most of the time the result will be painful. Be warned.

The Biology of Aging: A Quest for the Immortal Cell

By Nicholas Wade New York Times Service

EW YORK — In the Greek myths, a terrible price is always paid by humans who seek to live forever, as if to discourage people from even the thought of sharing in the defining attribute of gods. Tithonus, a youth with whom Aurora, the goddess of the Dawn, fell in love, was granted immortality, but as he grew more bent and decrepit longed only

for one other gift, the relief of death.

Chastened by such cautionary tales, we meekly accept that death is as inevitable as the dawn, knowing that our bodies will run down like an aging automobile when they exceed their design limit. So it was almost disquieting rather than uplifting to hear scientists at Geron Corp. in Menlo Park, California, talk about "immortalizing" certain cells that they hoped to derive from the recently isolated human embryonic stem cells. Surely the scientists were speaking metaphorically.

They were not. The study of aging is undergoing a possibly profound change, and a handful of biologists, whose hubris has not yet been punished with a thunderbolt from Mount Olympus, are beginning to think about interfering with the mechanisms that make the body mortal. Immortalizing a cell is of course very different from making an individual live forever. But because people are made of cells the two concepts have a deep and maybe exploitable link.

For decades biologists have known

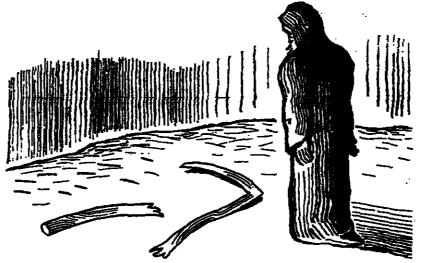
the cellular level by an immutable rule called the Hayflick limit. Leonard Hayflick, now of the University of California ar San Francisco, discovered that when tissue cells are taken from the body and cultured in a laboratory dish, they grow and divide about 50 times the number varies with the kind of tissue and then lapse into senescence.

In January, Geron's biologists announced an electrifying finding: They had learned how to make human cells treak the Hayflick limit. The basis of the Hayflick rule is a section of DNA known as the telomere, which gets shorter each time the cell divides. When the telomeres reach a certain minimum length, the cell is thrown into a terminal crisis.

All cells possess a gene, known as the telomerase gene, which can restore the telomeres to their youthful length. But in most cells the gene is permanently repressed and inactive. Geron's discovery was that by inserting a copy of the telomerase gene in active form into cells, it could make them grow and divide indefinitely.

For cells, the ability to divide indefinitely into two identical daughter cells is immortality. (The cell's atoms and molecules are continually being replaced, but its structure and informational content are unchanged from day to day.) For an individual, making clones of oneself in perpentity would hardly count as living forever. What stands between a person and immortality is that almost all the body's cells are mortal and, though they turn over, eventually cease to replace themselves efficiently.

Two categories of body cell, howthat the body's mortality is mirrored on ever, are immortal in the cell's sense of



being able to divide indefinitely. One is the essence of life, the other of death. Cancer cells eventually learn how to unlock the bolted down switches on the telomerase gene, and with this last defense in their hands can defy all the body's careful control mechanisms and

run rampant. The other kind of immortal cell is the all-purpose, embryonic stem cells from which the whole organism develops. In embryonic stem cells, too, the teiomerase gene is active, and the cells can divide indefinitely as long as they remain embryonic. As the fetus develops, however, the embryonic stem cells dif-

> More Than One Way To Kick the Habit

ferentiate, meaning that they progress down a variety of different pathways to become the specialized cells that form each of the body's different tissues

In the biologist's view it is differentiation that makes us mortal. As cells differentiate, they repress the telomerase gene. Some, like most brain and heart cells, seem never to divide again once the organism has reached maturity. Others, like skin and blood cells, can regenerate from stem cells specific to their nissue, but these tissue stem cells, descendants of the embryonic stem cells, also have a finite lifetime.

How then are embryonic cells gen-

erated from parents whose cells are itreversibly differentiated? In the embryo, a small number of stem cells are set aside. before embryonic development begins. and protected from differentiation. These I cells, known as embryonic germ cells, migrate to the developing ovary or testis, where they generate the egg or sperm for

the next generation.

Thus there is a special lineage of cells that permanently resist terminal differentiation, cycling indefinitely from embryonic stem cell to embryonic germ cell, to oocyte or sperm, to fertilized egg and embryonic stem cell again.

Geron's second amazing advance of the year was the isolation of human embryonic stem cells by two groups of researchers whom the company financed. One reason for its success was that under its visionary founder, Michael West, the company worked with leading academic scientists in the telomere field. Because the embryonic stem cells were known to maintain permanently youthful telomeres, the company was drawn into the stem cell field and repeated the coup of signing up many of the leading university scientists in the field.

With its human embryonic stem cells and its telomerase gene, Geron has acquired two scientifically fascinating properties, though of course commercial pay-off may be years away. What the company hopes to do is to guide the embryonic stem cells down specific paths of differentiation toward becoming the specialized cells of heart, blood or any other desired tissue. Before being injected into a patient, these specialized cells could be immortalized by adding the telomerase gene in active form. The rissues they formed in a patient would then be permanently youthful.

(There would be a problem of immune rejection, which Geron has not yet

addressed. Dr. West, now at another company, said recently that he hoped to sidestep rejection by generating embry-onic stem cells from the patient's body cells; their differentiated state would be reversed by fusing the cell with a cow's If biologists can immortalize some of

the body's cells by the Geron method could they in time learn how to immortalize them all? William Haseltine. chairman of Human Genome Sciences in Rockville, Maryland, believes a solution lies with the tissue stem cells the provide for the regeneration of tissue like blood and skin. Tissue stem cells, descendants of the embryonic stem cells. may exist for many or all tissues but only a few have so far been identified.

These tissue stem cells also get old in time and start to generate tired or com-promised cells. Dr. Haseltine's idea is to replace them, before they start to do harm, with tissue stem cells immortalized with telomerase.

HOMAS OKARMA, Geron's vice president for research, commented sternly that his own A company had no such plans.

Making the body immortal "is indeed fanciful and certainly something we don't even contemplate here," he said. We are much more interested in dealing with the 20 or so degenerative diseases that have no present treatment as could be addressed with immortalize

Tamping Down Nicotine's Image

By Denise Grady New York Times Service

to write about a into consideration. speciacular comenature of comebacks, a good subject might be nicotine.

for the highly addictive propbacco, scientists are rehabilidisorders, including stress, the Therapeutics, and this month intestinal condition ulcerative in Molecular Pharmacology. colitis. Alzheimer's disease. Parkinson's disease, attention raised concerns about the deficit disorder and Tourette's syndrome.

Nicotine-replacement prodquit smoking, used to consist well as a product called an smoking cessation. inhaler, which is really a fake cigarette made of plastic that a person sucks to get a dose of menthol-flavored nicotine into the mouth and throat, but not

tongues to help fight their caution.' the nicotine is extracted from

But just as nicotine approaches the edges of respectibility, a few researchers than smoking — and worth and lungs carry nicotine re-some risk if it helps a person ceptors, molecules on the cell quit - a few are beginning to surface that link up with using nicotine products not just for the short periods the products were designed for,

proliferate and if more become available over the counter, as the patches and scribed it, the cells that line far lower levels of tars and

By Holcomb B. Noble

New York Times Service

first piano recital or do the tango in a

dance contest, you may want to have

Mom and Dad - and anyone else who

Two psychologists, Jennifer Butler

of Wittenberg University in Springfield,

Ohio, and Roy Baumeister of Case Western Reserve University in Cleve-

land, say their research showed that

people did less well on tasks performed

in from of audiences who were rooting

wants you to excel - stay bome.

EW YORK - A new study

suggests that if you have to

make a speech at the stock-

holders meeting, give your

ine or drugs chemically related to it do come into use to treat chronic diseases, the re-EW YORK - If a searchers say, there may be biographer wanted important side effects to take

Recent studies directed by back from notoriety to re- Bianca Conti-Fine, a professpectability, and the tenuous sor of biochemistry and pharmacology at the University of Minnesota in Minneapolis-After denouncing nicotine St. Paul, suggest that nicotine can damage cells that line erties that hook people on to- blood vessels and the airways in the lungs. Papers by Dr. tating it, not only as a means of Conti-Fine and her colhelping smokers to break their leagues were published last habit, but also as a potential month in the Journal of Phartreatment for a variety of other macology and Experimental

The findings, which have led Dr. Conti-Fine to warn ucts, developed to help people that nicotine patches, gum and other similar products only of chewing gum and skin may not be safe if they are patches, but now a nasal spray used beyond the three to six is available by prescription, as months recommended for

R. Conti-Fine said, In addition, doctors are not forever. Long-term usage awaiting the approval of a might have the potential to nicotine tablet that patients cause problems, and I think it will dissolve under their should be looked at with great Her warning extended to

proposals to use nicotine over long term to treat disorders like Alzheimer's disease and attention deficit disorder.

In studies of cells grown in replacement nicotine is safer cells lining the blood vessels cells. worry that some smokers are nicotine, which can then disrupt the cells. Normally, the receptors bind to a signaling molecule, acetylcholine, which plays an essential role They fear this use will only in stimulating the cells to increase if nicotine products maintain their shape and con-

nection to each other. As Dr. Conti-Fine de-

While apparently safer than cigarettes, the many nicotine delivery systems might carry their own risks if maximum dosages are exceeded DOSAGE (in mg) OVER 24 HOURS NICOTINE PATCHES 7, 14 a 21 7, 14 a 21 15 over 16 hours 11 or 22 OTHER DELIVERY SYSTEMS 2 to 4 max 24 pieces Gum piece nhaler carridge 6 to 16 doses max 40 doses

products among some other other surfaces in the body ex-researchers in the field, have ist in a stretched and flattened said that if, as her studies sugshape and butt up against one another like floor tiles. By activating its receptor, acetylcholine directs the cells to stretch and flatten.

Source: Action on Smoking and Health

receptor in acetylcholine's place, it initially activates the receptor, but then causes it to "If I were a stop working, a process called on the lungs are unlikely to desensitization. When that certainly take the occurs, the signal to stretch is replacement for a while, but broken, and the cell balls up. 'It rips off its connection with neighboring cells, and you make a hole," Dr. Conti-Fine said. In the blood vessels, she

continued, those holes may result in lesions that develop into artery disease. In the lungs, the holes may lead to bronchitis, and in smokers the holes may help other, cancerhave begun to raise caution the laboratory, she and her causing chemicals in cigaflags. Although all agree that colleagues have found that rette smoke to penetrate the

She said she was particularly concerned about "smokeless cigarettes," RJR ularly Nabisco's Eclipse and Philip Morris Cos.' Accord, which are being marketed in some parts of the United States. The products release nicotine by heating tobacco rather than burning it, and are marketed as safer than cigarettes begum already are. And if nicot- the lungs, blood vessels and other dangerous combustion times the usual dose.

said that if, as her studies suggest, nicotine itself is harmful, then people who use the smokeless products still risk lung disease.

Nicotine gum and patches When nicotine parks at the do not expose the lungs to much nicotine, even from the bloodstream, Dr. Conti-Fine said, so its damaging effects products would expose the blood vessels to nicotine. 'This is very strong circumstantial evidence that nicotine would have a direct, facilitating action on atherosclerosis," Dr. Conti-Fine said.

O some researchers, the circumstantial nature of the evidence is a problem, particularly because there is no evidence from studies in people that nicotine gum or patches do any damage. And scientists have been on the lookout for harmful effects, especially on

the heart and arteries. A large study published in 1996 found no ill effects from nicotine gum, even among men who had used it regularly for five years. Another study showed no health problems in cause they expose the lungs to men who wore three patches a day for several months, three

Alarms Over Antibiotics in Food

By Barry James al Herald Tribu

RUSSELS -- When laboratory tests showed that an unidentified Dutch poultry farmer had become infected with the same antibiotics-resistant bacteria as his chickens, alarm bells went off around Europe.

As a result, the 15-nation European Union is quite likely next month to ban four more widely used antibiotics in animal feed, in addition to 15 that have been banned in the past. This leaves only four antibiotics that may be used in feed to stimulate animal growth in the Union, and they will be closely watched.

The livestock, poultry and pharmacentical industries have long argued that the antibiotics sold for animal use are safe; and that there was no danger that they could create resistant bacteria strains that could intect humans. The

case of the Dutch farmer, alassumption in question. A panel of experts recommended banning the most widely used animal antibiot- livestock feed in question. ic, Tylosin phosphate, along

with Virginiamycin, Bacitracin Zinc and Spiramycin because they are similar enough to drugs used in human medicine to fear that resistance could be passed across the species bar-

rier through gene transfer. A spokesman for the European Com-mission, the EU executive body, said the experts could not prove that the widespread use of the drugs would cause antibiotic resistance in humans, but they could not disprove it either.

Since the animal antibiotics concentrate in the gut, which is removed before carcasses are sent to market, the risk of the drugs getting into the human food chain was thought to be nonexistent. But the spokesman, Gerard Kiely, said the Dutch example was a possible indication that the bacteria could be propagated through the atmosphere rather than, as more commonly feared, by eating animals or poultry that have been fed the substances. "Scientists are saying that we are getting very close to the last line of defense," Mr. Kiely said.

Experts acknowledge that the evidence for the prosecution is slender. But the outbreak of bovine spongiform en-cephalopathy, or "mad cow" disease, in Britain — and its as yet incalculable effect on human health - has made the EU sensitive to other food dangers, said

Emma Bonnino, commissioner for consumer policy and health protection.

"The BSE crisis is not the only but probably the most glaring example of how consumer confidence in food and food safety has been shaken," she said. Genetically modified food, the use of growth promoters, the existence of pesticide and dioxine residues in food, salmonella, E. coli, anti-microbial resistance all add to widespread consumer unease about what they eat."

The antibiotics ban could lead to another trade problem with the United States, with which the EU already is in conflict over its refusal to admit imports of hormone-treated beef. Two of the four manufacturers that would be affected by the proposed antibiotics ban are American-owned - Pfizer Inc. which makes Virginiamycin, and Elanco Animal Health a division of Eli Lilly & Co.,

which makes Tylosin phosphate. case of the Dutch farmer, although isolated, placed that The case of a Dutch farmer placed assumptions about the drugs in

> committee, which is looking at the whole question of drug-resistant bacteria, will vote in December on the proposed ban, which could go into effect on Jan. 1. Mr. Kiely said it was important to advance solid scientific reasons for imposing a ban. Without them, the EU would be open to a challenge in the World Trade Organization, as it has been in the case of hormones in beef.

. The experts' recommendation does not apply to the use of the antibiotics for the treatment of animal diseases, but to their routine use in feeds. Regular low doses of antibiotics not only help keep livestock healthy, but also improve the absorption of nutrients, which helps the animals grow faster on less feed, and thus increase profits, particularly in intensive farming operations. The four antibiotics under suspicion are widely used in pig and poultry raising, where animals or birds are closely confined in pens or

cages and at risk from cross-infections. If the ban is adopted, Mr. Kiely estimated, about 1,600 tons of antibiotics, or 15 percent of the total used by both humans and animals in the EU, would be removed from circulation. The mannfacturers stand to lose a market worth several hundred million dollars.

Sweden, Finland and Denmark have long opposed using antibiotics in feed. and have banned them under temporary exemptions from EU rules.

In a Darwinian adaptation, some strains of bacteria have become resistant to one or many of the antibiotics used in human medicine. Doctors warn that this may lead to some diseases, such as taberculosis, or even common infections becoming untreatable. The pros-pect of completely resistant bacteria through misuse by humans rather than through the use of annibiotics in animal husbandry — has some researchers warning of "the coming plague." Bacteria single-cell micro-organism

that have survived for billions of years. can multiply explosively within short generation spans. Their ability to swap nes makes their development unpre dictable and dangerous. The big fear of many researchers is that resistance to an

> antibiotic called vancomycis could spread from enterococci. which are found in the human or animal gut, to another back teria called staphylococcus aureus. If this happened, there would be no defense against an estimated 25 percent of stank infections, often acquired in

The commission's scientific steering hospitals, for which vancomycin is the only remedy. One animal antibiotic, avoparcin, was banned three years ago because experts considered that it could lead to the emergence of bacteria resistant to vancomycin.

KAPE

CANADIAN study indicated that the use of antibiotics in livestock raising was leading to mutations of salmonella and E. coli bacteria that can cause serious and sometimes fatal illnesses in humans.

Although examples of gene transfer have been observed in the lab, veterinary researchers have argued that the use of antibiotics to promote the healthy growth of animals posed no risk to human health. Most bacteria in animals are incapable of surviving in humans. Without the protection provided by regular doses of antibiotics, animals could be at greater risk from disease, such as the outbreak of "scours" or diambea that afflicted pigs in Sweden after growth promoters were banned there. Epidemics of animalities ease could lead veterinarians to use abtibiotics widely for therapentic purposes, defeating the purpose of a ban on growth promoters. And experts say that a ban would almost certainly lead to higher prices in the supermarket

IN BRIEF

Man Is Moving Fingers of New Hand

NEW YORK (NYT) - An Australian man who received a transplanted hand and forearm in France seven weeks ago has begun moving each finger of the new hand and is gaining function with surprising swiftness, his doctors said last week. They said that so far the man, Clint Haliam, had not shown any signs of rejection and had escaped adverse effects of potent immune-suppressing drugs.

A rejection reaction can occur at any time in someone who has received another person's tissue. If such a reaction occurs. in Mr. Hallam, his doctors said, they are confident they can control it with standard drugs. Hallam is "far shead of schednie, doing superbly and better than any of us ever would have hoped," said Earl Owen, an Australian microsurgeon who Piece of Devastating Asteroid Found? headed the international team that performed the transplant.

Attention Deficit Disorder a Mystery

BETHESDA, Maryland (Renters) - U.S. scientific experts said last week that they still know little about "attention deficit hyperactivity disorder," despite years of diagnosis and treatment of the condition in children.

speculative," said David Kopfer, a University of Pittsburgh psychiatrist and chairman of a panel convened by the National Institutes of Health to study the condition.

Most of the experts said there was no evidence that drugs like Ritalin are being overprescribed to treat the disorder. The panel supported the use of such short-term medication, but no for more than a year.

"The diagnosis is a mess," said Daniel Guze, a panelist who is a psychiatrist at Washington University in St. Louis-But he said children with ADHD were easily recognizable: "If you've been around children, these kids stick out like sore

The NIH panel met for more than two days. Its mission was to describe the impact of ADHD on society and families; effective treatments and directions for future research.

LOS ANGELES (Reuters) - An American scientist said last week that he had found a tiny fossilized chunk of a huge asteroid that is believed to have crashed into Earth 65 million

years ago and caused the extinction of the dinosaurs. Frank Kyte, a geophysicist at the University of California at Los Angeles, said the chunk was encrusted in mud and buries. beneath 150 feet (45 meters) of sediment in the north Pacific Ocean. Researchers believe the sediment layer contains the

The most common childhood behavioral affliction, ADHD record of a large asterona or comet impact strikes 3 percent to 5 percent of the U.S. population from 4 to "Although the fossil meteorite is only a tenth of an inch in 14 years old. Such children are often unable to sit still or size, if was 1,000 times bigger than anything else in the engage in group play or follow rules, and can be disruptive, sediment." Mr. Kyte said. "In this dark brown sediment, I saw this small white speck." Mr. Kyte, who presented his malysis of the rock in the Nov. 19 issue of the journal Nature. ADHD, our knowledge about the cause or causes remains, said he confirmed his discovery after finding it contained lots of iridium. He said the fostil allowed him to conclude that the huge space object that struck Mexico's Yucatan peninsula was probably an asteroid, not a comet

for them than they did in front of those who were not. The study was published in the November issue of the Journal of Personality and Social Psychology. To study the effects of supportive audiences, the researchers organized three laboratory experiments. In the

Half were told that a friend was seated on the other side of the one-way mirror, half were told that a stranger was there. Those believing they were performing in front of a friend made a median number of 17.2 correct subtractions, 1.7 errors and a total of 18.9 performers failed. calculations. Those told they were before a stranger performed more calculations with fewer errors: with 23 correct subtractions, 2.8 errors and

25.8 calculations. In the second experiment 23 subjects were asked to perform a difficult video game - flying a simulated aircraft through an obstacle course quickly and were told that all observers were strangers. But half of the observers would receive a cash prize, as the performers would, if the performance sur-

passed a certain score. The other half were told that only the of disappointing them, may be more first, 40 people were seated before a performers would receive cash. Sefore distracting than their reactions to those one-way mirror and asked to count observers who would receive cash, the you don't care about them."

Better Hope the Audience Isn't Rooting for You backward by 13 as quickly and ac-curately as possible starting with the crashed four times as often as those performing before an audience with no financial interest in the outcome.

The third experiment, with 93 participants, was the same as the second, except that the subjects were told that a third group of observers was added that would receive the cash prize if the

In this test, steps were taken to account for possible personality, emotional and skill-proficiency differences among the performers. Here the differences were smaller, but, again, the performers were faster and crashed less often before the adversarial group than the supporting group.
Why should this be?

Concentration, most students of peak performance agree, is the key to skilled performance. And, Mr. Baumeister said, "people's reactions to those who support them, including fear

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Giant Freighters Troll For American Harbor

New 'Megaships' Too Big for Ports to Handle

By Susan Diesenhouse New York Times Service

- NEW YORK — The megaships are ming. But where will they dock? A new generation of immense cargo

ships, more than 1,100 feet (330 meters) long and bearing up to 6,675 containers, is poised to capture a significant share of is poised to capture a significant snare of ocean shipping, but no port in the United States is fully equipped to handle the ships when they are loaded to capacity.

O' Five ports on the Atlantic coast are competing to be the megaship destin-ation for one of the world's largest shipping lines, the alliance of Maersk, owned by the A.P. Moller conglomerate of Denmark, and the Sea-Land unit of CSX Corp. Maersk/Sea-Land is exspected to winnow the list to two finalists

the end of the year. At stake are billions of dollars of trade, investment and employment that will flow to and through the main deepwater port for half a continent.

this week and make its final selection by

backises Land, whose current backies in the Port of New York and New Jersey expires in 2000, wants its next home to provide 25 years' exclusive use of a fully modernized terminal with easy road and rail access and waterways 50 feet deep, matching major ports such as Rotterdam and Singapore.
Operations that fit the bill cannot now

be found anywhere in North America, said John Pisani, director of ports and domestic shipping for the maritime administration of the U.S. Transportation

Department.
"The United States, the greatest trading nation in the world, cannot handle the greatest ships in the world," Mr.

Continued absence of a megaship port on each coast "would be a critical blow to the nation's ability to compete in world trade," he added.

 Ninety percent of U.S. imports arrive by sea, and the Defense Department. belies on commercial ports and transportation centers to supply unlitary operations overseas.

An expansion project is already under way in the ports of Los Angeles and Long Beach, California, that will allow five years, Mr. Pisanissid stam conse on the Atlantic side, the post will be chosen from among New York/New Jersey, Baltimore, Norfolk, Virginia. Halifax, Nova Scotia; and the former naval base at Quonset Point, Rhode Island. The eventual winner will have to spend heavily to prepare to handle the giant ships.

Three dozen of the new giant cargo ships — none built in the United States or operating under a U.S. flag - are already in service and 45 more are on job that poses thorny environmental order, some of them bigger than even

. . .

. . .

the current megaship models.

Megaships already carry about 25 percent of the world's ocean-borne containerized freight, including 5 percent to 10 percent of U.S. imports and exports (by scraping in and out of existing ports

By 2010, they will carry up to 40 percent of world container cargo and about a third of U.S. trade, excluding bulk commodities such as oil and grain, according to M. John Vickerman, a transportation consultant in Reston,

The engine driving the move to big-ger ships is cost. Ton for ton of cargo, the bigger the ship, the cheaper it is to

'Given their economy of scale, in the future the megaships will increase their market share and make as few port calls as possible," said Kurt Nagle, president of the American Association of Port

Maersk/Sea-Land's search is precipitating a shakeout among North American ports that will be echoed when each of the three other global shipping al-liances — groups led by P&O Netilloyd Container Line, Neptune Orient Lines Ltd. and the shipping unit of the Hanjin conglomerate of South Korea — move to establish North American megaterminals of their own, Mr. Vickerman

Ports that do not win one or more of the big terminals will be limited to secondary roles in a hub-and-spoke system like that used in the airline industry and will wither further without mod-

Upgrading a port to receive mega-ships can take a decade or more — and cost billions of dollars. Wharves must be equipped with a dozen or more huge container cranes, which can cost \$6

Efficient handling of the huge flow of freight to and from the ships requires complexes of terminals equipped with computerized tracking systems. Quon-set lacks all of these; Baltimore and

Halifax need upgrades in these areas. Cargo must be able to flow conveniently to and from the port on high-speed truck routes and modern rail lines with high a description of the state of the state

Ouonset's land transportation links are radimentary, and Norfolk and Hal-ifax are each served by only one rail-road. Halifax is also hundreds of miles farther than the other competitors from the major North American population centers, requiring far longer surface transportation links.

Shipping channels and berths must be dredged to a depth of at least 50 feet, a problems in some ports.

Bidding for a Megaterminal Five Atlantic ports are vying to be chosen as the destination for a new generation of giant ips that experts say will eventually Seanic freight shipping:

stand, the leading global shipping
seasected to narrow the field to two Cargo volume: Deep channel Tranes and terminals need only

minor uporade Closest to Europe DISADVANTAGES Small local market nset Point ★ Far from Northeast 997 cargo volume: 0 and Midwest ADVANTAGES markets of the U.S. 翼 Plenty of land ☼ Only one railroad **38** Close to Northeast cities

DISADVANTAGES No cranes or terminals No rail access * Oredging required War from Midwest markets

> 1997 cargo volume: 1,738,000 containers Close to other Northeast cities and the

New York/New Jersey

Good rail and road access R Cranes and terminals need only minor

DISADVANTAGES

器 High labor costs ₩ Political haggling impedes progress

Baltimore

ADVANTAGES

the Midwest

operations

DISADVANTAGES

Far from open

access

Mostly good shore

Good road and rail

1997 cargo volume:

260,000 containers

Northeast cities and

Norfolk 1997 cargo volume: 825,000 containers'

ADVANTAGES Close to the **羅 Mostly good shore** operations

DESADVANTAGES Only one railroad # Small local market # Far from Northeast

Some dre

required *Includes Hampton Roads

New York harbor would be especially difficult to dredge: Bedrock would have to be blasted in some places to reach the necessary depth, and sediments on the harbor floor are heavily contaminated with industrial toxins dumped over the last century.

Baltimore, Norfolk and Quonset

would also need dredging, though the work would be easier, only Halifax is now deep enough for a fully loaded A lack of coordination among ship-

ping lines, land carriers, environmental See PORT, Page 17

CYBERSCAPE

Microsoft and Oracle Battle for Database Business

By Mitchell Martin

tional Herald Tribune AS VEGAS — They seem like unlikely lances in the jousts between Microsoft Corp. and Oracle Corp. over the future of computing, but databases were the weapon chosen last week for the latest round in the running battle between the rival software makers.

Behind some jargon-laden product announcements at the Comdex autumn trade show was the larger dispute betwo the software companies: whether most computing should take place on big centralized servers or on smaller machines located near their users.

.. Microsoft supports the idea of many small servers, which gives users control

over what is on their computers but requires them to maintain their systems. Oracle, which is trying to break what it perceives as Microsoft's monopoly over computing, wants fewer, larger servers, placing control in the hands of the people who manage the big machines and simplifying the work of the end users, who would be freed from

such chores as upgrades. Lawrence Ellison, Oracle's chairman, began speaking about network computing in 1995. In his original concept, there would be computers without disk drives that would largely be used to access networks — including the Internet. Such machines would cost about \$600, less than half the price of standard desktop units at the time. But as prices for full-fledged com-

By Daniel Liefgreen
Special to the Herald Tribune

ROME — The government offer of shares in Banca Nazionale del Lavoro

SpA, one of Italy's largest commercial

banks, drew huge demand from retail and institutional investors, making it the

most successful privatization in the

But the government and executives at

the bank have little time to celebrate.

Bankers and analysts say Banca

Nazionale del Lavoro must move de-

cisively to carry out an ambitious three-

year "strategic industrial plan" against

the backdrop of fierce competition and

broad changes sweeping through the

Demand for shares in the fifth-largest

Italian bank was much higher than ex-

Italian financial sector thus far.

Italian banking system.

puters have fallen below \$1,000, the attraction of network computers has diminished, though even smaller hand-held devices are being used to access the Internet, and electronic commerce is growing at a phenomenal rate.

So Mr. Ellison was correct in his view that interest in network computing would grow. When people use Internet services through personal computers or other devices, they are essentially allowing the processing to be done by network servers, where Oracle's products are likely to be found. The company says that the 10 most popular consumer Web sites and nine of the top 10 business-to-business sites are built atop its databases.

Databases are programs that contain information that can be searched according to various criteria.

Companies use databases for a variety of reasons, but one key area besides the Internet is as a base for enterprise software: huge integrated programs that run many facets of large businesses. from ordering supplies to scheduling workers. About a quarter of databases sold are used to support these enterprise resource planning programs, which are principally supplied by SAP AG, PeopleSoft Inc. and Baan Co.

Microsoft is trying to increase its share of the market for database products that run on its Windows operating systems. Databases from Oracle and other competitors can run on Windows. Unix or other operating systems. At Comdex, Microsoft carried the

See BATTLE, Page 17

EU Socialists Seek 'New European Way'

Finance Ministers to Focus on Labor Policy

By Barry James International Herald Tribune

BRUSSELS -- Socialist-led European Union governments have pledged to increasingly pursue common policies on taxation, wages and prices when the single currency, the euro, comes into effect on Jan. 1, Finance Minister Rudolf Edlinger of Austria said Sunday.

Speaking on the eve of a meeting of EU finance ministers here, Mr. Edlinger said that although tax, wage and price policy remained the prerogative of the national governments, the completion of economic and monetary union would inevitably lead to greater "harmonization" of policies.

Mr. Edlinger was introducing what he called a discussion document, "The New European Way," approved by socialist ministers who now dominate the

EU's policy-setting finance council. The document, which sets out the path to "economic reform in the frame-work of EMU," is orthodox from a

monetarist standpoint. It glosses over the debate about the policy mix between the growth oriented policies sought by several socialist governments and the independent role of the new European Central Bank in creating conditions of monetary stability and low inflation.

But Mr. Edlinger said the document marked a departure from the policies pursued by former conservative administrations, such as that of former Chancellor Helmut Kohl in Germany, in that it places much greater emphasis on the need to create jobs through taxation and

He said that for the past 12 years, the tax burden has fallen mainly on labor, and that this burden would have to be shifted more toward taxes on capital and energy. The extent to which this shift takes place, he said, depends on the power of the various socialist parties, several of which are subject to agree-

ments with coalition partners. He said ministers were not challen-

ging the independence of the central bank, but agreed that there had to be a much more serious discussion of policies between national governments and the Frankfurt-based bank, which will assume the responsibility for setting interest and exchange rates when the euro comes into being.

'You must have coordination," he said. "Monetary policy is not an end in itself, but financial and monetary

policies must benefit people."

Mr. Edlinger said he hoped that governments would cooperate in reducing the EU unemployment, now at 16 million workers, with the same intensity with which, over the past four years, they had succeeded in bringing 11 nations into economic and monetary union.

The document says that the state should step in when it is a question of maintaining efficient public services, or of preventing technological change

from creating new forms of inequality. On the question of tax coordination, the document says that taxation should not be allowed to distort economic decisions with regard to labor, capital and

But along with a commitment to full employment, the document emphasizes that the socialist parties are also determined to follow policies leading to monetary stability and sustained fiscal

It says that the ECB must pursue a policy of "credibility, certainty and predictability," but must also contribute to a debate on the relationship between monetary policy and employment and

The bank will keep its decision-making processes a secret for 16 years to ensure that its board members can act independently of all pressures from national governments. But Mr. Edlinger said it was nonetheless important for the countries that adopt the euro to know what the arguments are so that they play a constructive role in policy-making.
"We are at the beginning of the de-

Bertelsmann Taps Science

Media Conglomerate Buys Into Medical Publisher

By Doreen Carvajal

New York Times Service NEW YORK - The media conglomerate Bertelsmann AG has deepened its wide-ranging investments in books by signing a deal to buy a majority stake in a top international publisher of scientif-

ic and medical books. The acquisition of an 82 percent stake in Axel Springer Verlag AG for 1 billion Deutsche marks (\$593.8 million) will allow Bertelsmann to make new inroads into the U.S. market.

Springer Verlag is Germany's largest publisher of scientific journals and tech-nical books, with headquarters in Berlin and publishing houses all over the world, including New York.

The acquisition of the privately owned company, which is subject to approval by European regulators, is part of an aggressive push by Bertelsmann to become a dominant player in science and technical publishing — a market that is expected to grow faster than consumer

or popular books in the next few years. The purchase is the latest in a series of highly visible acquisitions by the German conglomerate, which this year took over Random House Inc., a leading American trade publisher, and in Oc-tober struck a deal with Barnes & Noble Inc. to participate in a joint venture in the chain's on-line bookstore.

It comes on the heels of Havas SA's agreement Friday to acquire the software arm of Cendant Corp. for up to acquisitions.

\$985 million, creating a rival to Learning Co., the market leader in educational software, and spearheading a push by Havas's corporate parent. Vivendi SA. into the fast-growing fields of software and media.

Bertelsmann itself is involved in discussions with Havas to pool their professional publications in a joint venture. A deal is expected to be finalized by the end of December.

Bertelsmann and Havas are already equal partners in Doyma, the biggest medical publisher in Spain. Thomas Middelhoff, chief executive at Bertelsmann, said that if their new joint venture happened that would catapult Bertelsmann into the top tier of professional publishing.
According to Matthew Bechard, as-

sociate editor for Simba Information, which tracks the professional and scientific publishing market, "The whole industry is becoming very consolidat-

Almost 25 percent of Springer's annual revenue of 615 million DM comes from the United States, where it has a flourishing publishing house in New York City. More than 60 percent of the

company's publications are in English. Part of Springer's appeal was its advanced electronic network, which offers more than 400 technical and medical journals through an information service called Link, said Mr. Middelhoff, who has been the driving force behind the

CURRENCY RATES

ings in Amsterdam, Laachn, Milan, Paris and Zurich, fixings in other contact New York e. To buy one pound; b: To buy one dollar: "Units of 100; N.Q.; not quoted; N.A.; not

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with Components (CBC Book (Brossells); Bancii Commerciate Indiana to France (Paists Book of Takyo-Missrbishi (Takyo); Royal Bank of MF (SCN). Coher data from the Associated Press, Biromberg and Review,

pectations. The Treasury said it earned 6.7 trillion lire (\$4.01 billion) from the sale; at the beginning of the month, the government was expected to earn 5 tril-

lion lire from the sale. "It was a great result, achieved in a climate on financial markets that was anything but easy," Treasury Minister Carlo Azeglio Ciampi said Samrday. following the closure of the five-day

share offer. BNL, which has been governmentowned since the 1920s, has undergone a radical restructuring in recent years to

improve its performance and its image following a major scandal in the early

BNL Share Sale Is a Hit With Italian Investors

Retail investors requested nearly six times the amount of shares offered. The Treasury announced Saturday that small savers would pay 4,550 line per share, while institutional investors would pay 4,700 lire per share. The Treasury also is selling a combined 25 percent stake to three "core" shareholders, Banco Bilbao Vizcaya SA of Spain, the Italian insurer Istituto Nazionale delle Assicurazioni SpA and the regional Italian

savings bank Banca Popolare Vicentina. The Treasury and bank showed a lot of courage to hit the market right after the recent turmoil," said Emanuele Minotti, a banking analyst at Salomon Smith Barney in London.

But now, said an analyst at foreign bank in Milan, who asked not to be identified, "they have to deliver the goods, they have to meet their objec-The key aspects of BNL's strategy include continuing to cut costs, expand

ing its core business in the retail and corporate sectors, increasing nonin-terest income — in particular, by broadening its business in asset management - and enlarging its capital. The bank aims for a return on equity of 14 percent by 2001.
"The 14 percent target is credible,"

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the Milan analyst said. "But by the year 2001, other banks may be averaging returns on equity of 15 to 20 percent." BNL's chief executive officer, Dav-

ide Croff, a former executive at the Bank of Italy and at Fiat SpA, said "major restructuring" was already under way at the bank. Mr. Croff joined the bank in 1989 when it had just become embroiled in a scandal involving about \$5 billion of illegal loans made by its Atlanta branch to the government of Iraq.

Mr. Croff told reporters prior to the share offer that the bank's balance sheet was strengthened substantially in 1997 when it wrote down certain assets and sharply increased provisions for bad loans. It recorded net losses in 1997 but has bounced back to profit this year. For the first six months of the year, BNL reported consolidated group net profit of 82 billion lire, up nearly 19 percent from the comparable 1997 period.

Still, Mr. Croff said the bank would not pay a dividend on its 1998 financial

He said BNL already had cut its work force by 2,000 in the last two years and aimed to slash it by an additional 3,300 over the next 3 years, mainly through early retirement. In addition, it is shifting 1,000 employees from administrative functions to sales areas.

"The core business is retail and corporate." he said.



Registered Office: Luxembourg R.C. Luxembourg B-6734

NOTICE TO SHAREHOLDERS PAYMENT OF INTERIM DIVIDEND

An interim dividend of US\$ 0.85 per ordinary share and US\$ 0.95 per preferred share will be paid for the current fiscal year.

Such dividend will be payable, subject to the laws and regulations applicable in each country, starting December 9, 1998, against surrender of coupon no. 3 of the ordinary share certificates and coupon no. 3 of the preferred share certificates, at the offices of the paying agents listed below:

in Luxembourg: Banque Internationale à Luxembourg;

- in Italy; all the leading banks; in Switzerland: Crédit Suisse, Banca Commerciale Italiana

(Suisse); in France: Lazard Frères & Cie;

in Belgium: Banque Bruxelles Lambert.

in the Federal Republic of Germany: Commerzbank: in Great Britain: SBC Warburg, Lazard Brothers & Co.; - in The Netherlands: ABN-AMRO Bank:

The Principal Paying Agent Banque Internationale à Luxembourg Société Anonyme

| 1911 | 1912 | 1913 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 | 1914 |

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INTERNATIONAL HERALD TRIBUNE, MONDAY, NOVEMBER 23, 1998

CAPITAL MARKETS ON MONDAY

With Market at Nosebleed Levels,' Value May Rest in Mundane Picks

chic restaurant of the Royalton Hotel in midtown Manhattan — so stylish there is no name, not even a street number, on the door - a rumpled money manager named Scott Black is gesticulating wildly as he speaks in his Maine accent, ruffling his papers, practically grabbing me by the lapels. This is

1177 (im.

one passionate guy. He is talking about how high the stock market has run up. These are nosebleed levels! It's ridiculous! Welsome to Holland and the tulip bulbs," Libe said, referring to the famous mania of 1634-37, when the Dutch were paying Free times their annual income for

So, what has Mr. Black done with the \$1 billion he manages for such clients as Johns Hopkins University and the Irvine for reasons no one can quite figure out,

The 250 most active international bunds traded

CPD Maturity Price Crt Yd

11/15/00 109.5500 8.2200 05/15/03 115.4500 6.9200 11/15/07 117.7600 5.9400 03/15/05 121.72300 5.3800 11/15/09 111,5000 5.3800 12/10/99 101,9400 5.8900 11/15/02 104.7900 5.4200 12/15/04 110.9200 7.2100 11/15/03 110.9200 7.2100 11/10/24 121.9500 5.57600 10/10/29 1001.9000 8.9400

6 07/4407 112.6000 5.2880 54 07/4408 100.9188 4.8280 48 05/4408 104.9318 4.5300 44 05/1903 104.5000 4.2500 8 07/21/02 112.6300 7.0890 54 01/0420 107.9243 5.2180 34 06/2603 106.4571 2,7300 8 07/202 34/2088 45/508

02/22/02 102/23/5 43900 19/21/02 113.2888 4.6000 02/16/06 112.3888 5.2400 09/15/06 99/2800 3.2500 09/15/06 112.3893 4.3600 02/21/01 103.8500 5.6500 02/21/01 103.8500 5.6500 09/23/00 103.8900 4.8100 09/23/00 103.8900 4.8100 09/23/00 113.3875 7.7200 09/15/03 110.1800 5.4500 09/15/03 110.1800 5.4500 09/15/03 110.1800 5.4500 05/15/00 103.4400 5.4880

Expected Canberra: National Farmers' Fed-

Speakers include Prime Minister

John Howard: Tuesday and Wednesday. National Convention

Hong Kong: Government releases

consumer price index for October,

retail sales statistics for September.

Taipel: Government releases Octo-

ber unemployment figures. Central

bank releases October money supply and foreign exchange reserves.

Taipei: Government releases Tai-

wan third-quarter gross domestic

of the Fair Trade Commission, gives

spondents' Club on the government

a briefing at Seoul Foreign Corre-

policy on corporate restructuring.

Hong Kong: Government releases

external trade figures for October.

Wellington: Government releases

Crespiony, executive chairman of

Normandy Mining Ltd., speaks at a

breaklast hosted by Securities in

prices for third quarter, oversea trade import figures and preliminary export figures for October.

report on producer input and output

Wednesday Seoul: Nam Kee Lee, vice chairman

The Week eration holds annual meeting.

Monday

Thursday

Nov. 27

through the Euroclear system for the week end-ing Nov. 20: Prices supplied by Telekurs.

99 Anniagtor 4 Zero 12/07/22 242509 6.0600 164 Auburn Sec Fm. 7.188 07/12/35 99.7334 7.2100 165 Future Restuls 2 zero 03/30/01 87.7222 5.7000. 175 Britoln 8 12/07/30 105.0900 7.6100. 193 Britoln 7 11/06/01 105.0900 6.0500 218 Annington 4 Fm. 7.65 01/22/23 96.3597 7.9400 218 Annington 4 Fm. 7.65 01/22/23 96.3597 7.9400 221 Waterschupstok 5/4 11/17/15 104.3789 5.3900 237 Farsile Mas 6/6 06/7/30 104.0000 6.6100 236 Farsile Mas 6/6 06/7/30 104.0000 6.6100 237 Farsile Mas 6/6 06/7/30 104.2000 4.6100 237 High Educin fm 7.154 04/24/28 94.3419 7.5800

Rak Nome

Belgian Franc

Most Active International Bonds

TASHINGTON — In the or Treasury bills? Not at all Foundation? Has he stashed it in bonds

"By any historical measurement, the market is overpriced," he said. 'But that doesn't keep me out of the market. This is a market of stocks, not a stock market. We can find companies that are reasonably valued and in good busi-

Instead of buying Coca-Cola Co. or soaring internet stocks, he has been buying small capitalization "value" stocks - mostly companies people have never heard of, often in stultifyingly boring businesses, so un-chic that their chief executives would probably be banished from the Royalton's restaurant for eating the pumpkin risotto with a spoon, not a fork.

Mr. Black is not alone. After scoffing at small-company stocks for years, Wall

65 Germany 4% 12/17/99 100.8400 42100 65 Germany 8% 02/20/01 110.6463 7.5800 67 Germany 6% 04/22/03 111.9398 6.0300 68 Germany 6% 07/15/04 114.7800 5.8800 69 Germany 7% 111/1/04 119.2188 6.2900 79 Germany 8% 09/20/01 112.3988 7.3400 73 Treuhand 7% 09/09/04 118.6720 6.3200 75 Treuhand 7% 09/09/04 118.6720 6.3200 85 Aiza Nabel 5% 11/17/08 101.9967 5.2700 94 Germany 5% 07/01/99 101.8800 6.2700 99 Germany 5% 07/01/99 101.8800 6.2700 100 Germany 5% 07/01/99 101.8800 6.2700 105 Germany 2200 01/15/99 99.5298 3.0500 105 Germany 2200 01/15/99 99.5298 3.0500 115 Treuhand 6% 05/13/04 114.2500 5.9000 137 Treuhand 6% 05/13/04 114.2500 5.9000 137 Treuhand 6% 05/13/04 114.2500 5.9000 137 Treuhand 6% 05/21/01 114.4888 7.5100 148 Germany 7% 05/21/01 111.4488 7.5100 148 Ger

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ble trade balance for September

and trade balance figures with non-

European union countries for Oc-

Paris: Government reports final in-

flation figures for October.

tober.

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that they had been cold for so long.

At any rate, over the next few weeks, the Russell 2000 index, which tracks these shares, shot up more than 20 percent. But there is lots of room to catch

small-caps got hot. Maybe it was just both Mr. Black and Mr. Greiner sav. Instead, they gravitate toward the "value" galaxy of the small-cap universe. Value stocks are ones that have been shunned by Mr. Market, that metaphorical manic-depressive who stands for all

JAMES K. GLASSMAN / ON INVESTING

up. At the close Friday, the Russell was still down 10 percent for the year, while the Standard & Poor's 500 was up 20 percent. Many smart investors maintain that the divergence between large- and small-caps cannot last.

"Small-caps are incredibly cheap." said Ken Greiner of Dalton, Greiner, Hartman, Maher & Co., a New York firm that manages money for such big institutions as American Express Co. But not all small-caps are great buys,

158 France OAT 514 04/25/08 108:5000 4.8460 168 France OAT 5P zero 10/25/19 33.9100 5.3000 178 France OAT 4 04/25/09 98.1700 4.0700 197 France OAT 5P zero 04/25/09 98.1700 5.5100 204 Cybervol FRN 3.573 07/06/02 100.0600 3.5700 211 France OAT 7/6 04/25/05 120.2100 6.2400 249 Austria 390 10/20/05 99.8229 3.9100

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Italian Lira

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18'4 05/05/00 108.8200 9.4200 9 04/20/09 136.2980 6.6000 5 01/15/04 103.9450 4.8700 6½ 05/05/08 115.0020 5.6500

investors, and appear cheap by normal standards such as price-earnings ratios,

A recent report by Eric Sorenson and two colleagues at Salomon Smith Barney Research called for a "tilt to value" — in part to correct another imbalance. "Growth" stocks (the ones Mr. Market goes nuts over) have been vastly outperforming value stocks over the past five years. So small-cap value could be a confluence that presents profitable opportunities.

Mr. Black certainly thinks so, and it is worth paying attention to him. Since 1980, his portfolios have returned an average of 19.2 percent annually, compared with 17.0 percent for the S&P and he has done it with stocks that have less volatility than the overall market "No exotic strategies," promises Mr. Black's firm, Delphi Management Inc. of Boston. Nothing but straight bottoms-up stock picking.
What does be like? First, a Silicon

Valley-based company that is not in high technology. It is Ross Stores Inc., a chain that sells off-price women's clothing in 350 outlets, mainly in California and Florida. It is run well, with profits growing at about 15 percent annually, but it trades at a P/E of just 12.

Mr. Black has also been buying shares of a tiny (market capitalization \$80 million) business with a great brand name: Gerber Childrenswear Inc., which was spun off from the baby-food company in June and sells at a P/E of

He is enthusiastic, too, about three overlooked regional banks: Peoples Heritage Financial Group Inc. in New England, a profitable institution with a P/E, based on earnings estimates for the year ahead, of just 10; Colonial Banc-Group Inc., which concentrates in Alabama and Florida and has loans growing at 15 percent a year and a P/E of 11, and Sovereign Bancorp Inc., with 300 branches in eastern Pennsylvania slimmer, Mr. Black has found a company called In Vision Technologies Inc., which makes an explosive detection system used in airport security. The company has installed its expensive machines, which check luggage as it goes into the cargo hold, in Israel and Britain

حكذامن الأصل

estimates, the P/E is just 10. Mr. Greiner has a very different list - which indicates just how many small-cap bargains are out there --- and a slightly different style. While Mr. Black looks for value stocks that have shown signs of double-digit profit increases, Mr. Greiner is willing to purchase inexpensive companies that do

and the United States. Based on his

not tell "a great growth story." Like Mr. Black, he picks stocks, not sectors, but he is especially fond lately of restaurant chains, which have been clobbered this year,

Mr. Greiner's favorites are Sharro Inc., a string of 862 restaurants that feature pizza and pasta, and Landry's Seafood Restaurants Inc., with 122 outlets in 26 states.

Sbarro has an excellent balance sheet, with loads of cash. The stock, Mr. Greiner says, is significantly undervalued, and it is likely that management will do something — perhaps purchase another business, buy up its own shares or get bought out - to increase its value to shareholders.

Landry's has had disappointing earnings this year, but Mr. Greiner maintains that they are related to weather, not to a fading product. The stock has dropped 68 percent since Jan. 1 and now trades at a P/E of 6.

Mr. Greiner, whose firm's investments have outstripped the S&P by an average of 9 percentage points annually over the past three years, also likes Plantronics Inc., which makes tele-phone headsets. Popular with telemarketers, they are now being worn by normal business folks who like to keep their hands free while they talk on the telephone. Unfortunately, Plantronics has soared 64 percent since the start of the year, so it is not screaming "buy" anymore. "On our system, it is marginal," said Mr. Greiner, whose firm also started serving in June as sub-adviser to a public mutual fund, MainStay Small-Cap Value. Watch for dips.

Meanwhile, Edward Elfenbein of Mi-

projections, of just 10. maven who has kept the faith, added a recommendation this month for Vertex maven who has kept the faith, added a Communications Corp., which makes antenna systems for satellite communications. Thanks mainly to concern over Asia, the stock has dropped 29 percent this year and now trades at a P/E

> Finally, Morgan Stanley Dean Witter has started a "recommended list of our favorite small-capitalization investment ideas."

It currently includes just seven names, including Foodmaker Inc., which operates more than 1,000 Jack in the Box fast-food restaurants, at a P/E of 10; Terex Corp., a maker of heavy-duty trucks and cranes, at a P/E of 8 despite long-term earnings growth of 16 percent annually, according to Bloomberg News, and Novel Denim Holdings Ltd., which provides denim garments and fabrics, mainly to Europe, at a P/E of 12 and a growth rate of 25 percent.

That is more choices than the menu at the Royalton has. Anyway, I understand pumpkin risotto is trading at a ridiculously high P/E.

Home Builders: Sunny Exposure?

The stocks of home builders have had a rough time this year down 6 percent while the market is up 18 percent. But a Merrill Lynch & Co. analyst, Robert Curran, sees a rebound. While there are still worries about rising interest rates and a slowing economy, orders are up 15 percent. Valuations such as priceto-earnings ratios are less than half those of the stocks in the Standard & Poor's 500 index.

Mr. Curran especially likes companies "with a major exposure to California," including Lennar Corp., at a P/E (based on estimates for next year) of 8, and Kaufman & Broad Home Corp., with a ratio of 8. He also recommends D.R. Horton Inc., at a P/E of 10: Toll Brothers Inc., with a P/E of 8; Centex Corp., with a P/E of 11, and Pulte Corp., also with a P/E of 11.

- JAMES K. GLASSMAN

Interest will be the 3-month Liber, Noncatiable, Fees 0.0625%. (Nomura Securities,)

and a P/E, according to Mr. Black's crocap Stock Digest, another small-cap New International Bond Issues

Compiled by Laurence Desvilettes								
Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week			
Floating Rate Notes		•						
Australia & New Zealand	\$250	2000	libor	99.9327	_			

Banking Group	7235	2500	200,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		The real arm and the A. substitut Proof Labour States and Assessment Substitute Substi
First Security Bank	\$50	2003	3/8	99.67	_	Over 3-month Libor. Noncalidate. Fungible with outstanding issue, raising total amount to \$250 million. Fees 0,20%. (Deutsche Bank.)
Oscar Funding	\$250	2003	0.60	100.00		Over 1-month Libor. Average life 1.6 years, Fees 0.40%. Denominations \$100,000. (DKB Infl.)
Instituto de Credilo Oficial	ECU300	2001	0.08	1001/8	_	Below 3-month Libor. Nancallable. Fees 0.125%. (Morgan Stanley Dean Witter.)
SNS Bank Nederland	ECU300	2003	1/8	99.584		Over 3-month Liber. Noncollable, Fungible with outstanding issue, raising total amount to 600 million Ecus. Fees 0.175%. (ABN—AMRO Hoore Govets)
Fixed-Coupons					_	·
Argentina	\$1,000	2005	11	100.00		Semiannually. Noncollable. With one-year warrants exercisable at 93.30 into Argentina's 94%, noise due 2027. Fees 0.875%. (J.P. Margan Securities.)
Atlas Air	\$1.50	2006	93/6	100.00		Semigrapuolly. Private placement collable at 104,688 in 2002. Fees not disclosed. (BT A/ex.)
DSL Bank	\$150	1999	4.85	100.03		Semiaranosty. Noncallable private placement. Fees 0.04%, Denominations \$100,000. (Mem i Lynch Int.)
Inti Finance Corp.	\$1,000	2003	5	99,372	_	Noncollable. Fees 0.25%. (Merr) Lynch (和4.)
KFW int Finance	\$500	2003	5	99.513		Noncallable. Fungible with outstanding issue, raising total amount to \$1.5 billion, Fees 0.25%. (ABN—AMRO Houre Govett.)
KFW Intl Finance	\$100	2008	6	100.00	_	Callable at par in 2000. Fees 0.25%. (Margan Stanley Dean Witter.)
Merrill Lynch & Co.	\$500	2004	-6	99.804		Semiannually, Noncollable, Fees 0.375%. (Metrill Lynch (ntl.)
Memili Lynch & Co.	\$7,000	2018	674	99,509		Semigranually, Noncollable, Fees 0,875%, (Merril Lynch (nfL)
National Bank of Hungary	\$200	2003	6V2	102.271		Reofficed at 100.676. Nancollable. Fungible with outstanding issue, raising total amount to \$500 million. Fees 0.30%. (ABN—AMRO House Govett.)
Ontario	\$250	2008	51/2	99.952		Semiannually, Noncollable, Fees 0.35%, (Coldman Sachs Intl.)
Petroleos Mexiconos	\$600	2008	948	100.00		Semionavally, Noncollable, Fees 1%. (Margan Stanley Dean Witter.)
SFX Entertainment	\$200	2008	91/6	100.00	_	Semiannually, Callable at 104.563 in 2003. Fees, not disclosed. (Morgan Stanley Dean Witter.)
World Bank	\$500	2013	51/2	99.286		Noncollable, Fees 0.375%. (ABN—AMRO House Govert.)
Abbey National Treasury Services	DM1,000	2009	5	99,41		Noncollable. Fees 0.40%. (J.P., Morgan Securities.)
DSM	DM750	2005	434	101.48		Reoffered of 99.13. Noncollable. Fees 244%. (ABN—AMRO Hagre Govett.)
John Hancock Global Funding	DA4500	2008	4¾	100.715		Reoftered at 98.59, Noncallable, Fees 24:46. (CS First Baston.)
Abbey National Treasury Services	€150	2004	647	10234		Noncollable. Fungible with outstanding issue, raising total amount to CS00 million, Fees 0.30%. (CS First Boston.)
BNG	€100	2021	57/8	98,56		Noncallable. Fees 0.45%. (Memil Lynch Infl.)
Fannie Mae	£250	2003	51/2	99.711		Semigravally, Noncollable, Fees 0.25%. (Morgan Stanley Dean Wifter.)
KFW Intl Finance	£100	2003	6	101.637		Noncaliable. Fungible with outstanding issue, raising total amount to £550 million, Fees 0.25%. (Warburg Diffon Read.)
Premier Pub Finance	082	2022	7.)53	100.00		Quarterly, Average life 18.2 years. Also E40 million due 2008 paying 0.80 over Libor and £35 million due 2026 paying 7.74%. Fees 0.75% Denominations £100,000. (Namura Securities.)
Reseau Ferre de France	£200	2021	51/2	99_596		Noncollable, Fees 0.45%. (Barciays Capital.)
Tennessee Valley Authority	£200	2021	5.35	99.649		Semiannually, Noncaliable, Fees 0.45%, (J.P. Morgan Securities.)
World Bank	£150	2001	57/8	99.468	_	Noncollable, Fees 0.1875%. (DKB Infl.)
Caisse Nationale des Autoroutes	FF2.600	2010	4V2	99.024		Noncallable. Fees 0.35%. (Banque Nationale de Paris.)
Finland	ECU500	2003	31/≙	99.191	_	Noncollable. After EMU, issue will be fungible with mark-denominated notes. Fees 0.25%, (HSBC Markets.)
Sunamerica (nstitutional	ECU100	2008	4	101.175	_	Interest will be 4% in first year, thereafter linked to the 10-year euro swap rate. Reoffered at

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Paris: Government reports prelim-Mexico City: Government releases export-assembly industry output for inary figures on gross domestic prod-September. uct for the third quarter, business Ottawa: Government releases 1997 confidence for November. revised net farm income. Paris: Government reports unem-Mexico City: Government releases ployment figures for October. manufacturing compensation and employment figures for September. Vilnius, Latvia: Government releases third-quarter government debt fig-Ottawa: Government releases

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Malaysia Capital Curbs: Risks Remain Despite the Blush

By Paul Blustein Washington Post Service

KUALA LUMPUR — It has been two and a half months since Malaysia shocked world financial markets by imposing strict controls on capital flowing in and out of the country, and to hear the Malaysian tycoon Francis Yeoh tell it, the move is already paying off hand-somely in businesses like his instead of backfiring, as the pro-

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ponents of economic globalization at the International Monetary Fund and U.S. Treasury had not-sosecretly hoped, the controls are saving Malaysia from being destroyed by the Asian financial crisis, according to Mr. Yeoh, managing director of YTL Corp., one of the

country's biggest conglomerates.

Interest rates have come down, from 11 percent to 7 percent," Mr. Yeoh said. "Banks are suddenly starting to do business. The stock market is improving." Mr. Yeon's carnent plant, he added, is benefiting from a revival in infrastruc-

biry houses at a project of mine." The question for Malaysia, though, is whether that rosy glow on some sectors of the economy is a real indication that its vital signs are

harm than good in the long run. Many analysts are betting that Malaysia will eventually rue the decision, which stemmed in part from Prime Minister Mahatinir bin Mohamad's outrage over currency speculators driving down the value of the country's currency, the ringgit.
Mr. Mahaffur has established

himself as a leader among the critics of unfettered global markets and the International Monetary Fund's orthodox economic prescriptions.

The IMF and the Clinton administration are eager to discourage other countries from following his lead in imposing controls. They contend that doing so would damage nations' chances of attracting new investment and achieving a lasting recovery.

cil on Foreign Relations.

The controls have enabled improving or just the temporary re- Malaysia to adopt a stimulative eco-sult of a palliative that will do more nomic policy, including tax cuts and sharply lower interest rates, without worrying that traders would dump the ringgit. That is because, under the controls, it is illegal to withdraw money from Malaysia in less than one year, moreover, the government has fixed the exchange rate at 3.8 ringgit per dollar and prohibited the holding of ringgit overseas.

Critics contend that Malaysia, free for now from the discipline imposed by the currency markets, is adopting policies that only exacerbate fears about its propensity for grandiose projects and weaknesses in its banking system. Along with the low-interest-rate policy, the authorities have ordered banks to expand lending by 8 percent a year and eased the rules on reporting bad

hathir's approach works, and the the corporations," said Tan Min particularly foreign manufacturers. IMP's doesn't, "said Robert Manning, an Asia specialist at the Coun
& Co. in Singapore. "But at this conference last week, said that since point, you can't say with confi-dence that this window of opportunity is doing them any good.

According to Douglas Paal, president of the Asia Pacific Policy Center, Mr. Mahathir is desperately trying to pump up the economy until next year, when elections are scheduled, because he is locked in a power struggle with his popular former deputy, Anwar Ibrahim, who favors more conventional economic policies. Mr. Anwar is on trial on comuption and sex charges.

"Where will they be a year from now, when people can take their money out of the country?" Mr. Paal said. "The economy will be like a balloon popping."

Malaysian officials counter that such doomsaying exaggerates the nature of the controls.

The controls, according to Zeti Akhtar Aziz, the deputy governor of the Malaysian central bank, are fiting from a revival in infrastructure spending.

"The danger is Mahathir will loans.

"There's confidence in home-buying now, too," he said. "Suddenly I get 3,000 people queuing to denly I get 3,000 people queuing to the said. "Mahathir will loans.

"The danger is Mahathir will loans.

"Capital controls might have objective of containing speculative been positive if Malaysia used the capital." They should pose no constant of the kinds of long-term interesting that the capital controls might have objective of containing speculative capital." They should pose no constant of the kinds of long-term interesting that the capital controls might have objective of containing speculative capital." They should pose no constant of the kinds of long-term interesting that the capital controls might have objective of containing speculative capital." They should pose no constant of the kinds of long-term interesting the controls of the manager at Pactrol designed to achieve the specific approach to achieve the specific ap

And Mr. Mahathir, at a news conference last week, said that since the controls were imposed the government's reserves of foreign currencies have risen by about \$4 bil-

lion. Even critics concede that this probably means people are keeping their money in the country, defying predictions that the controls would spark illegal capital flight

But economists say the evidence so far is spotty and inconclusive, and many are skeptical that demand is rising.

"Everywhere, business is down," grumbled Kamal Marican, manager of a Kuala Lumpur jewelry shop, who estimated that customer traffic has dropped by 15 percent since controls were imposed.

The real test of controls will come in the future, when investors decide whether to put money again into a country that turned on them.

"They've shot themselves in the foot," said Stuart Goh, an investment manager at Pacific Asset Management in Singapore, which sold its holdings of Malaysian bonds shortly before controls were imposed. "We would definitely be very cautious

Worried About Image,

Microsoft Goes Polling

By David Segal

Kashin; ton Post Service

WASHINGTON - Ever since the Justice Department

filed suit against Microsoft Corp. in May, government

lawyers have tried to paint the company as a corporate

predator. Apparently, Microsoft executives want to know

The company said Friday that it had hired firms to

survey consumers to determine whether the antitrust trial

is tarnishing Microsoft's image. The polls, a company

spokesman said, are a routine part of efforts to keep in touch with customers and are designed to help Microsoft

"There have been a lot of allegations and a lot of things

combat allegations leveled by the Justice Department.

said that are untrue," said Jim Cullinan, a company

spokesman, "and we want to make sure our message is

getting out there as well. And we want to gauge the effect

Mr. Cullinan did not provide details about Microsoft's

polling. He would not say which firms had been retained

for the work, how much the polls cost, what questions were

Until recently, Microsoft had a fairly positive image

with most consumers maintaining that the company had earned its dominant position by dint of superior products

and marketing, according to the Washington polister Mark Meliman, whose Meliman Group surveyed the

public about Microsoft for Fortune magazine last year.

"The company's image," Mr. Mellman said, "is one of their most important assets, and it must be protected with the same ferocity and care that they protect other assets."

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asked or how many consumers had been contacted.

of the constant PR efforts by the government.

if any of that paint is sticking.

SHORT COVER

Chinese Army Gives Up a Business

SHANGHAI (Reuters) — The Shanghai garrison of the People's Liberation Army of China has handed over a large military enterprise to the city government, in line with a directive that the armed forces give up commercial activities, the Xinhua news agency said Sunday.

The concern, Yunfeng Industries Co. — whose businesses include real estate, automobile repair, transport, storage, pharmaceuticals, chemicals, hardware, electrical equipment and building materials - was transferred to the city-owned Shanghai Ludi Group, Xinhua said.

It is believed to be the first such handover reported since President Jiang Zemin ordered the army in July to relinquish businesses, in a move to stamp out graft.

China said Friday that its military, judiciary and police would surrender their sprawling business empires by the end of the year.

Hong Kong Property Rebound?

HONG KONG (AP) — Thousands of people swamped a developer's sales office and snapped up apartments this weekend at a new housing development, a possible sign of rebounding confidence in the economy, newspapers report-

Nearly 85 percent of the 1,268 apartments were sold at prices that indicated that the slump in the property market prices had fallen as much as 60 percent since August 1997 -may have bottomed out.

Nomura Unit Gets New Leadership

NEW YORK (NYT) - The U.S. unit of Nomura Securities Co. of Japan has named a new executive team to decide the fate of Capital Co. of America, Nomura's once high-flying but

now money-losing mortgage trading operation.

Nomura appointed Michael Hurdelbrink, 55, the chief operating officer of its London-based Principal Finance Group, to serve as chief executive of Capital Co. He replaces a team of executives headed by Ethan Penner, the star bond trader who resigned in September, and Boyd Fellows and Brian Pilcher, whose resignations were announced Friday.

Capital Co. has suffered heavy losses amid the turmoil in debt markets, and Nomura said, without elaborating, that it was weighing several possibilities for the unit.

Russia Crisis Reduces China Trade

MOSCOW (AFP) - Trade between China and Russia fell 6.8 percent in the first 10 months of the year, compared with a year earlier, as a result of the financial crisis that exploded in Russia in August, the Interfax news agency reported Sun-

From January through October 1998, trade between Russia and China fell to \$4.47 billion, according to Russian figures. Russian exports to China fell by 10.2 percent, to \$2.96 billion, while Chinese exports to Russia increased by 0.7 percent, to \$1.51 billion, the news agency said. Before the financial crisis erupted in Russia hopes were high that bilateral trade this year would approach the record \$7.68 billion of trade recorded in 1993. Now predictions are for a 1998 total of \$5.0 to \$5.6

Kuwait Stocks Hit 25-Month ow

KUWAIT CITY (AFP) -- Stocks feil to a 25-month low here Sunday as investors awaited proposals for an economic reform package to bolster the depressed market. The Kuwait Stock Exchange index dropped 0.6 percent to close at 1,823.8

The Kuwaiti cabinet was discussing changes in the stock market recommended by a committee that includes the central bank governor, Salem Abdulaziz Saud as Sabah, and the exchange chairman, Hisham Oteibi. The central bank is believed to be urging the government to stick to its current policy of nonintervention in the stock market, which lists 75

BATTLE: Microsoft and Oracle Fight for Database Business

Continued from Page 13

battle to Oracle's home turf by choosing the show as a venue to introduce the newest version of its database program,

SQL (called sequel) Server 7.0.

Gracle, which had just amounced an operade to its database, called Oracle 8i, was not about to let its rival make an unchallenged splash in its home market.
"We were delighted but surprised by their naïveté at the show," said Mark Jarvis, Oracle's senior vice president for marketing. Did they really think we were going to let them come here and

make a database announcement?" While Microsoft is the larger company, Oracle is a far bigger player in the database market. It accounted for 39.3 percent of the \$6.6 billion relationaldatabase market last year, according to figures from Gartner Group/Dataquest. International Business Machines Corp. followed with 26.8 percent, while Mi-

crosoft had 7.4 percent. After Microsoft scheduled its announcements, Oracle responded by reniming to Coundex following an absence of several years, and Mr. Ellison arranged to give a speech last Monday night, a day after Bill Gates, the Microsoft chairman,

the operating system is largely super the difficultio define which program fluous. Except for communicating with it better. Both databases are good, the computer's memory and network, depending on what you want to use them he said, the Oracle database handles for, said Carolyn DiCenzo, principal most of its operations autonomously, analyst at Gartner Group/Dataquest. and the existence of a full-fledge op-

erating system slows it down. So Big that Microsoft had not made concessions Iron is supposed to be a refrigeratorsized computer with just the few elements of an operating system necessary

to support Oracle's database. Of course, a Big Iron computer could not run anything outside the Oracle database, but Mr. Ellison said that half the users of Oracle databases run them on dedicated servers anyway. Oracle 8i can support applications itself, including Web browsers and word processors. Indeed, so many programs could run inside Oracle 8i that you could look at it as an operating system, though Mr. Ellison was careful to say that Oracle was not getting

into the operating-system business. Oracle is negotiating with several manufacturers to make Big Iron. The cost of the systems would be comparable to current servers with Oracle 8i.

Mr. Ellison also used the occasion to trumpet what he saw as Oracle 8i's advantages over SQL Server. He offered \$1 million to anybody who could make a specific research query on SQL run more than 1/100th the speed of the same process on Oracle 8i, which he said had run faster than its Microsoft competitor in every benchmark test ever done, an assertion that depends on your

crosoft's Windows juggement, database, where they could then be For Oracle Si, Mr. Elison contented searched by different cuteria.

Oracle executives seemed surprised

to network computing; Microsoft seemed surprised they were surprised. "They missed the significance of the Internet, Mr. Jarvis said of Microsoft. "All of their actions are distancing themselves away

from the trends in the industry." Mr. Demas of Microsoft saw the opposite. "Our belief is that PC servers running on Windows NT will be the way companies decide to go."

Although Oracle executives gleefully predict that the Internet and the model of networking it inspires will make computer users around the world eager to abandon the tasks of server administration, the reality may be more complex.

Patrick McGovern, chairman of the researcher and financial publisher International Data Group., said that many corporate departments would want to have control over their servers and their data. He predicted that about 65 percent of users would opt to retain the client/ server architecture, while the rest would opt for the megaserver concept.
"The megaserver fights against the

idea of autonomy," he said.

Mr. Jarvis agreed with that. "The only people who want control of the data are the users," he said.

opened the show with a presentation and definition of what was being tested.

Not a populist, however, Mr. Jarvis said that chief executives and their top technology officers would want to control the information themselves, and that it made sense to centralize the power in a corporation with its leaders.

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Notice is hearby given that as Bonzectionary General Meeting of Shareholders of Fidelity Special Growth Fund Sicar Company') will be held at the regimered office of the Company in Luxembourg on December 2, 1998 at 11.00 a.m. to company in State of the Company o

To hear the report of the Andhor to the Signification.

To approve the report of the Liquidator and of the Andhor to the liquidation.

To grant discharge to the Liquidator and to the Andhor to the Siquidation.

To grant discharge to the Directors in office at the date of Siquidation.

To resolve the close of the liquidation of the Company.

To resolve to keep the records and books of the Company for a time of 5 years at the registered office of the Company.

To note the accompensate made for the Malaysian Ringgin which cannot close of Equidation to be distributed to sheecholders as end when they be pite which cannot be converted into a convertible currency as at the which cannot be distributed to the persons critiled to them to the Chiese des Consigni

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Subject to the fimilations imposed by the Articles of incorporation of the Company with meant to ownership of stares which is the exercise more than three persons (3%) of the outstanding alazers, each share is entitled to one wore. constitute in the aggregate more than three percent (3%) of the outs Shareholder may act at any bifecting by proxy.

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To hear the report of the Anditor to the Registerion.

To approve the report of the Liquidator and of the Andrew to the liquidation.

To gonz discharge to the Liquidator and to the Andrew to the liquidation. 4. To grant discharge to the Directors in office at the date of Houldstion.

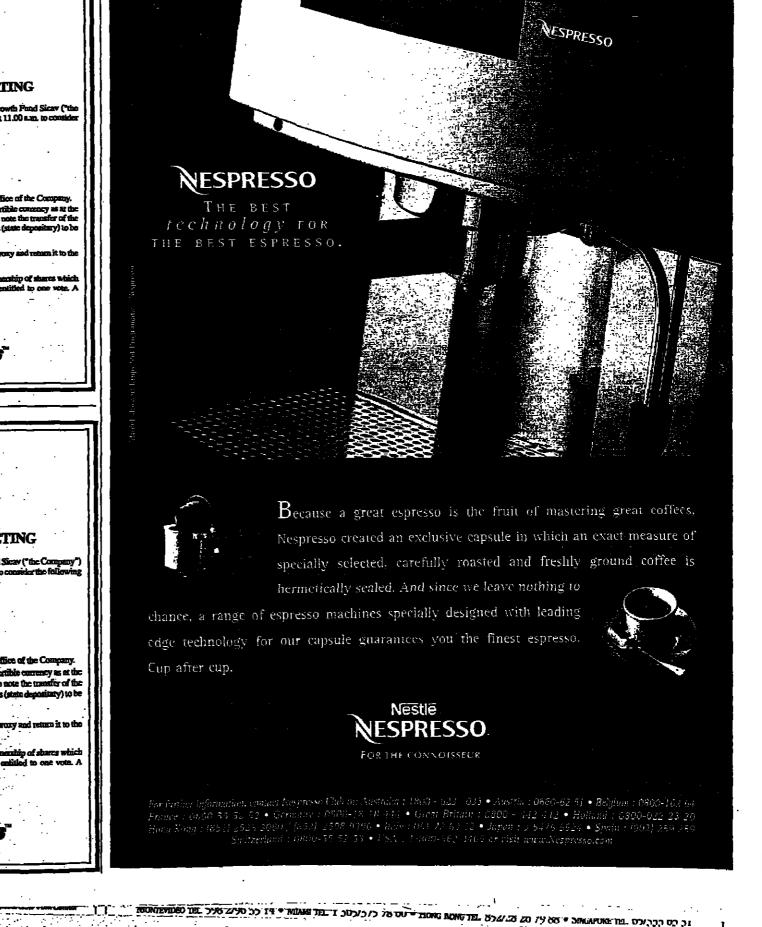
To resolve the close of the liquidation of the Company. To note the arrangements and mouse or use company for a time of 5 years at the registered office of the Company.

To note the arrangements tends for the Malaysian Ringgins which cannot be converted into a convertible convency as at the class of liquidation to be distributed to shareholders as end when they become convertible. And to note the master of the proceeds which cannot be distributed to the persons emitted to them to the Conse des Consegnations (state depository) to be held for their benefit. 6. To resolve to keep the records and books of the Company for a time of 5 years at the registered office of the Company.

If you are not able to attend the above Extraordinary General Meetin registered office of the Company prior to the date of the Meeting. and Marting, you are tayed to execute your proxy and return it to the

Subject to the limitations apposed by the Articles of Incorporation of the Company with regard to own constants in the aggregate most than three percent (3%) of the constanting shares, each share is emilled to one vote. A Shareholder may act at any Meeting by princy.





PORT: Harbors Bid

Continued from Page 13

groups and port and government officials has long dards, especially since the 1980s, when most transportation industries were deregulated.

Port and surface transportation officials complain that while 75 percent of the operating cost of a cargo ship is spent on land activity, they did not get to participate in planning the megaships.

"The carriers' approach to the port is, 'We build bigger ships; you figure out how to said Ralph handle them. Cox, a transportation consultant in Boston.

As a result, port developmer thas lagged far behind ship development. The advances in vessel

technology have dramatically pointed up the shortcomings in the U.S. infrastructure," said Henry Marcus, chairman of the Ocean Systems Management Program at the Massachusetts Institute of Tech-Federal spending on port

development and on freight transportation in general has ten limited, Mr. Nagle said. The \$221.6 million for ports in the current U.S. budget falls short of the \$330 million needed just to sustain current maintenance projects, he said. The ports themselves spend about \$1.5 billion a year on capital improve-

Other than making lease payments, the shipping lines generally do not help pay for improvements. But they have the upper

frand, because they have more alternatives. Maersk/Sea-Land, for instance, feels no need to restrict itself to United States ports to serve Amermarkets, said Tommy Maersk Transporting goods into the United States from ports in Canada or Mexico would do just as well, he

As Mr. Pisani of the Transmaintains. portation Department put it, The shippers can move their assets around, the ports CEN'L

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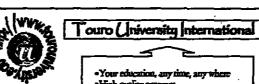
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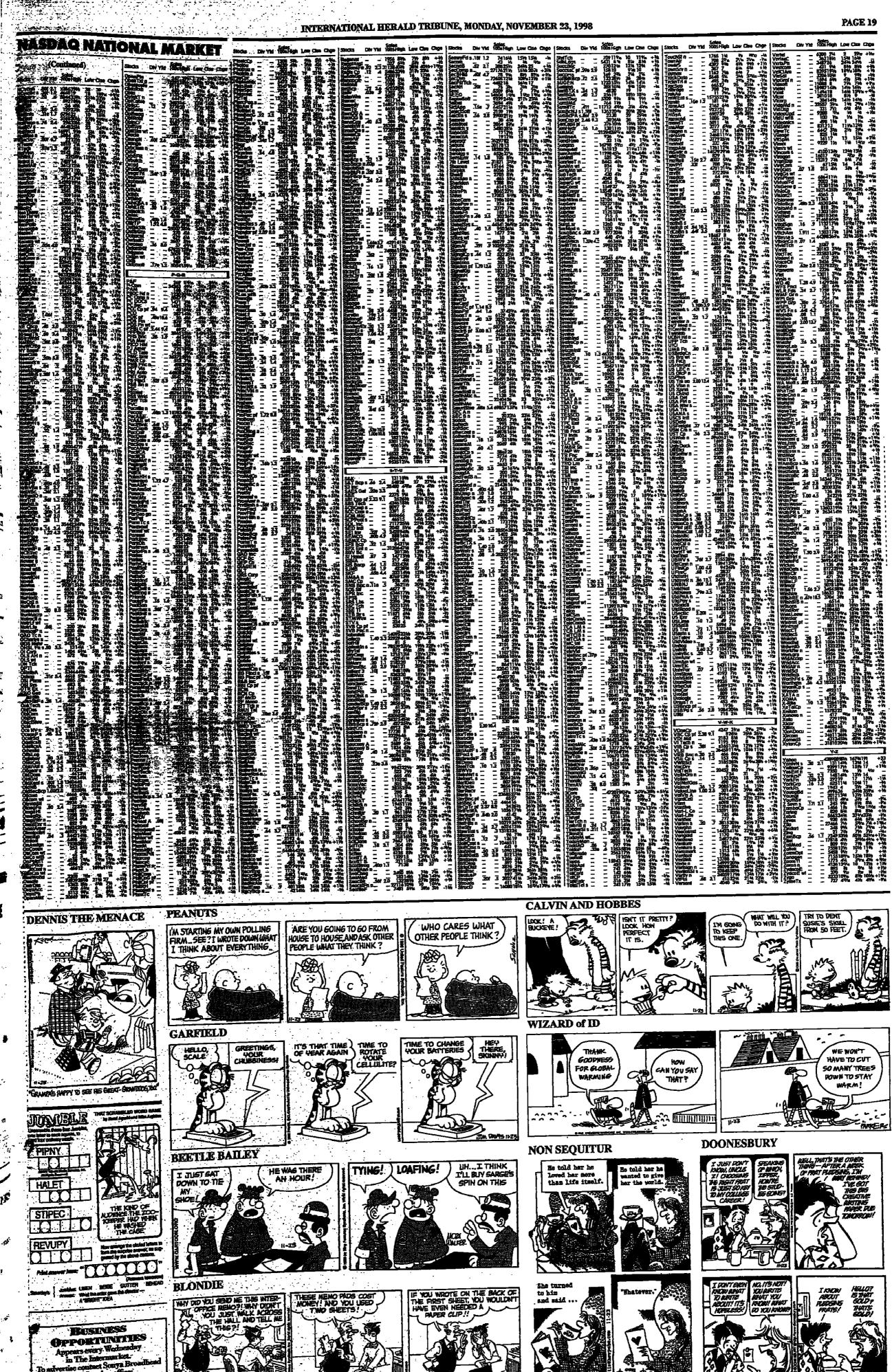
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Fiesta Bowl Hopefuls: Still a Crowd at the Top

Tennessee, Kansas State and UCLA All Win

The Associated Press

The Bowl Championship Series was introduced to provide a clear champion in college football with a showdown between the top two teams. But with three premier teams still unbeaten, the picture remains cloudy.

Tennessee, which started the weekend No. 1 in both The Associated Press poll and the Bowl Championship rank-

COLLEGE FOOTBALL

ings, which will determine who is invited to the Fiesta Bowl, crushed Kentucky on Saturday.

Kansas State, ranked second in the AP poll but third in the BCS ranking, held on to beat No. 19 Missouri, while UCLA, the AP No. 3 but the BCS No. 2, beat its traditional rival, Southern Cali-

Tennessee has two more games and Kansas State has one, against Texas A&M on Dec. 5 in St. Louis in the Big 12 championship game. UCLA completes it season Dec. 5 at No. 22 Miami. If more than one of the unbeaten

teams lose, a string of teams with just one defeat - as well as unbeaten Tulane - could enter the Fiesta Bowl

25 The Wildcats (11-0, 8-0 Big 12), got one touchdown pass and one TD run from their quarterback, Michael Bishop, to complete the first undefeated regular season in school history.
'I can't tell you whether we're the

No. 1 team in the nation or the No. 2 team," said Bill Snyder, the Kansas State coach. "I haven't watched Tennessee play. I haven't watched UCLA

Missouri (7-4, 5-3) has lost 35 straight games to Top 10 opponents over the last 17 years and has lost six straight to Kansas State. But this one was close. Missouri was at the Kansas State 42 when Corby Jones overthrew John Dausman at the 10 with 1:19 to go.

No. 3 UCLA 34, Southern California 17 In Pasadena, the Bruins beat error-prone USC to win their 20th straight game behind 109 yards rushing and four touchdowns by DeShaun Foster.

The Trojans (7-4, 5-3 Pac-10) turned the ball over seven times, including four fumbles in 221/2 minutes, as they lost to UCLA (10-0, 8-0) for the eighth straight

Florida State (11-1) kept alive its hopes of making the Fiesta Bowl as it beat Florida in Tallahassed

Peter Warrick had a 32-yard touchdown reception and threw a 46-yard touchdown pass off a reverse as the

Seminoles scored the final 17 points. Sebastian Janikowski kicked three field goals, and the top-ranked Florida State defense limited the high-powered Gators (9-2) to just 201 yards and 14

Penn Claims Ivy Crown

Jim Finn had 36 carries for 188 vards and a touchdown as the University of Pennsylvania won at Cornell to clinch the Ivy League cham-

pionship.

Cornell gave Penn a scare Saturday with three fourth-quarter touchdowns, but the Quakers held on, 35-21. The Ouakers scored on offense, defense and special teams. The defense recorded four sacks and four turnovers.

Yale 9, Harvard 7 In Cambridge, Massachusens, Mike Murawczyk kicked a 27-yard field goal to give an outplayed Yale team victory over Harvard.

Brown 10, Columbia 3 Alex Pittz intercepted a pass in the end zone with 1:15 remaining as Brown held off Columbia in New York, Brown tied Yale for second in the Ivy

League. Princeton 35, Dartmouth 13 In Princeton, New Jersey, Derek Theisen rushed for 171 yards and two touchdowns in leading Princeton over Dartmouth. (\overline{AP}, NYT) 16 In Columbus, Ohio, the Buckeyes (10-1, 7-1 Big Ten) beat No. 11 Michigan for just the second time in 11 years to win a share of the conference title and keep alive their slim Fiesta Bowl hopes. But Ohio State lost a chance to go to the Rose Bowl when No. 13 Wisconsin beat

No. 16 Penn State, 24-3.

Joe Germaine, the Ohio State quarterback, tossed three touchdown passes and the Buckeyes turned a pair of botched punts into scores to beat the Wolverines (8-3, 7-1).

In Starkville, Mississippi, Brian Hazel-wood kicked a 27-yard field goal with seven seconds left as Mississippi State upset Arkansas to take control of the Southeastern Conference West race.

Mississippi State (7-3, 5-2) will win the SEC West title if it can prevail at Mississippi on Thursday night, or if Arkansas (8-2, 5-2) loses at Louisiana State on Friday.

No. 10 Notre Dame 39, Louisiane State 36 In South Bend, Indiana, Jarious Jackson, the Notre Dame quarterback, passed for 276 yards, ran for 80 more and engineered the winning touchdown drive as Notre Dame (9-1) beat LSU (4-6) to keep alive its distant hopes for a bowl game.

No. 12 Tulane 48, Houston 20 In New Orleans, Shaun King threw a careerhigh five touchdown passes as Tulane and won the Conference USA charnpionship. The Green Wave (10-0, 6-0) accepted an automatic bid to the Liberty Bowl if it is not invited to the BCS.

No. 13 Wisconsin 24, No. 16 Penn State 3 At Madison, Wisconsin, Tom Burke had four sacks, and Nick Davis scored on an 82-yard punt return as the Badgers beat Penn State (7-3, 4-3) to earn a berth in the Rose Bowl.

No. 14 Georgia 24, Mississippi 17 In Athens, Georgia, Olandis Gary ran for 132 yards and two touchdowns, and Georgia (8-2, 6-2 SEC) stopped Mississippi (6-3, 4-4) twice at the 1-yard

Oregon State 44, No. 15 Gregon 41 Ken Simonton ran for a 16-yard touchdown in the second overtime to stun Oregon (8-3, 5-3 Pac-10).

Simonton, who had 157 yards rushing and four touchdowns, broke through line on second-and-one, ran right and barely made it into the end zone.

The Beavers (5-6, 2-6) thought they had won in the first overtime, when Simonton scored his third touchdown and they appeared to stop Oregon on downs. Thousands of fans stormed the field. But a flag was thrown for pass interference, giving the Ducks a first down. Four plays later, Oregon tied the

Tyler returned an interception 26 yards for a touchdown with 8:23 remaining, as the Falcons claimed a berth in the Western Athletic Conference championship

Air Force (10-1, 7-1 WAC) clinched the Mountain Division title and will meet the Pacific Division champion. Brigham Young, for the league title on Dec. 5 in Las Vegas.

No. 21 Georgia Tech 63, Wake Forest 35 In Atlanta, Charlie Rogers scored three touchdowns and Joe Hamilton threw for two other scores as Georgia Tech (8-2, 7-1 Atlantic Coast Conference) grabbed a share of the ACC title and a Gator Bowl bid.

No. 23 Virginia Tech 47, Rutgers 7 In Blacksburg, Virginia. Al Clark threw two long touchdown passes to Ricky Hall in the first half, and Virginia Tech (8-2, 5-2 Big East) returned two of its

six interceptions for touchdowns. No. 24 Syracuse 38, Temple 7 In Philadelphia, Dee Brown ran for two touchdowns. Quentin Harris returned a 47yard interception for another score and Rob Konrad added a 2-yard touchdown run as Syracuse (7-3, 5-1) beat Temple (2-9, 2-5) to advance to a showdown

with Miami for the Big East title. In rivalry games among unranked teams, Shaun Alexander scored three touchdowns to lead Alabama to a 31-17 victory over Auburn (3-8), which finished with its worst record since 1952. In Berkeley, California, Todd Husak

threw a seven-yard touchdown pass to Troy Walters and the Stanford defense made it hold up as the Cardinal beat California, 10-3, to win the 101st Big



DeShaun Foster of UCLA, right, eluding Southern California's Grant Pearsall to score from the 2-yard line.

Vols Show No Mercy on Wildcats, 59-21

By Joe Drape New York Times Service

KNOXVILLE, Tennessee - The Tennessee Volunteers didn't stop at kicking a team that was down. They buried the Kentucky Wildcats, 59-21. and with every touchdown cemented their hold on the title of the best college football team in the United States.

They rumbled for 237 rushing yards Saturday, exceeding their 217-yard average, which was already the nation's 14th best, despite losing perhaps the best running back in the country six games ago. Their quarterback, Tee Mar-tin, threw for one touchdown and ran for another and got Tennessee off to its best start (10-0) in 42 years. The Volunteer defense, which had

given up an average of 12 points a game in its last eight games, defused the Wildcats' high-powered offense, sacking Tim Couch, the Heisman Trophy candidate quarterback, six times for 43 yards.

In overcoming one obstacle after another, including having to come from behind against snakebitten Arkansas last week. Tennessee has shown that is

the best of the still-unbeaten teams. In 7-4 Kentucky, Tennessee beat a high-quality opponent convincingly — Martin and most of the Tennessee starters were pulled in the beginning of the fourth quarter — while UCLA and Kansas State needed strong efforts to repel challenges from Southern Cali-

fornia and Missouri The Kentucky defense, at least, opened the game as if it might be able to bounce back from a tranmatic week of funerals, police charges and late-night practices. The week began horribly for the Wildcats last Sunday when their starting center, Jason Watts, wrecked his pickup truck, killing Couch's best friend, Scott Brock, a student at Eastern Kentucky, and the Kentucky defensive lineman Arthur Steinmetz.

Watts was charged with manslaughter and drunken driving when the authorities discovered he had a blood alcohol content of 0.15 percent, which is above Kentucky's legal limit. Couch served as a palibearer at Brock's funeral during the week, and the Kentucky team traveled to the service for Steinmetz.

Wildcats' undersized defense held the Volunteers to two field goals even though Tennessee started drives inside the Wildcats' 40-yard line.
Couch and his offense, however, showed signs of mental exhaustion showed signs of mental exhaustion. Couch missed on his first four passes and

was hammered to the ground by blitzes. He got on track on the Wildcats' third ession. On third-and-nine at the

Kentucky 19, Couch zipped a ball to Kevin Coleman, who was racing down the right side of the field, for 24 yards. Couch completed five of his next seven passes and put Kentucky in the end zone on a 3-yard touchdown pass to Lance Mickelson. Kentucky had the lead, 7-6, for the first and only time of the day. From there the game deteriorated into a highlight reel flickering with images

of the orange-clad Volunteers running up and down the field in perhaps Tennessee's most dominating performance of the season. Martin went arm-to-arm with Couch, bettering him by 177 yards to 174 in the first half on 12-of-18 passing. Martin would finish 13 of 20 for 189 yards and add 54 yards rushing; Early in the game, it looked as if the Couch was 35 of 56 for 337 yards.

This Time, It's Defense That Carries The Vikings'

MINNEAPOLIS — Last time, Minnesota beat Green Bay with an offense led by Randall Cunningham and Randy Moss. This time, Cunningham and Moss were the supporting cast to the defense. No matter. By bearing Green Bay, 27-

14, the Vikings demonstrated Sunday why they are the NFC Central's top team and why the two time conference champion Packers almost centainly. It have to win a wild-card berth to make the playoffs.

The victory left the Vikings (10-1) three games ahead of Green Bay (7-4) in the NFC Central with five games left. Had they lost, they would have been just a game ahead facing a trip to Dallas in three days for a Thanksgiving Day

Minnesota also has the tiebreaker because it won the first meeting, a 37-24 victory at Green Bay in which Cunningham threw over the Packers defense

to Moss, Jake Reed, and Cris Carter. On Sunday, Jimmy Hitchcock's 58yard interception return and Gary Anderson's field goal after Tony Williams

recovered a Brett Favre fumble gave Minnesota a quick 10-0 lead.

Moss, meanwhile, had eight catches for 153 yards, including a 49-yard touchdown reception with 3:17 left at clinched the game for Minnesota. Giants 20, Eagles 0 The host Grants

snapped a three-game losing streak by beating the Eagles behind a touchdown run by Gary Brown and two Phillippi Sparks interceptions. Kent Graham also threw a late touch-

down in his first start this season, and Brad Daluiso kicked two field goals for the Giants (4-7).

Falcons 20, Bears 13 Atlanta rallied from a 10-point deficit in the second half as Chris Chandler threw a pair of touchdown passes. But Chandler, probably the team's most irreplaceable player, suffered a sprained right knee and ankle with 6:29 remaining. The Falcons (9-2) finished with 44-year-old Steve DeRers at marterback DeBerg at quarterback.

In other games: The Buffalo Bills beat the Indianapolis Colts, 34-11; the Dallas Cowboys downed the Seattle Seahawks, 30-22; the Detroit Lions topped the Tampa Bay Buccaneers, 28-25, and the Pittsburgh Steelers beat the Jacksonville Jaguars, 30-15.

Revenue Disparity Has Baseball in a Rundown

By Murray Chass New York Times Service

TEW YORK - When baseball general managers gather each November a couple of weeks after the World Series, they spend several days in meetings discussing issues that affect their game and their teams. The postseason often is on their

'There are eight clubs that are talking about postseason rosters." said Doug Melvin of the Texas Rangers. "The other clubs are saying, 'What should I have to worry about that for?' "

Melvin exaggerated, but only slightly. More than eight teams had a shot at the playoffs this year, but that number didn't include teams that had payrolls below \$48 million.

As the disparity in payrolls grows, that threshold rises. Relative paupers need not apply for postseason spots. This year, the Houston Astros were the playoff team with the lowest payroll, \$48.3 million.

Paradoxically, as the price of winning escalates, some payrolls plummet. "Not only are payrolls going up, but they're also going down," said Sandy Alderson, a long-time Oakland Athletics executive who recently became Major League Baseball's vice president for baseball operations. "We lose sight of the fact that there are some clubs that are giving up.
"There are those at \$20 million who

say to themselves that going to \$30 million doesn't appreciably change their chances, and there are those at \$30 million who say 'We're no better off at

30 than at 20, so they go down. This year's payrolls ranged from Baltimore's \$71.9 million to

Montreal's \$8.3 million. The Orioles, with the only losing record among the 13 teams that had payrolls of more than \$48 million, clearly underachieved, but the Expos didn't have a chance. "Payroll disparity results from revenue disparity and leads to competitive disparity," Alderson said.

Owners and club officials see disparity as the No. 1 problem facing baseball today. 'One can't help but be concerned."

said Bud Selig, the baseball commis-sioner. "I've heard the competitive balance thing for a lot of years, and for a long time it didn't play, but as stakes get higher and disparity grows, everyone ought to have concerns."

In the labor agreement that emerged from the 1994-95 strike, the owners and players adopted a revenue sharing plan under which the large-revenue teams would pay money into a pool from which the smaller-revenue teams would receive money. The aim was to reduce revenue differences.

This year, the New York Yankees are expected to pay the most, a little more than \$11 million, while the Expos will receive the most, about \$12.5 million. But those payments won't make much of a dent on what one baseball official said was a \$135 million difference between the teams' revenues.

Jim Beattie, the Expos' general manager, acknowledged that his team probably receives more money than anyone else. Without it, he added, "We might have ended up losing

money." But the fact that the Expos did make some money might rankle the clubs that make deposits into the revenue-sharing pool.

"They don't like giving us money, Beattie said, "and then we cut back." and maybe make some money. We're not operating for the good of the game right now. We don't want to operate that way. We've been in a survival mode. We can't move from that position until we get some assurance that we're not going to shoot ourselves in the foot all the time."

Donald Fehr, head of the players union, said it would be premature to judge the revenue-sharing plan before it reaches full-scale implementation, which won't happen until the 2000 season. The plan was 80 percent operational this season. 'We are not far enough along so

that we can meaningfully judge what is going to happen." Fehr said. "Until we are, we can have our opinions, but they don't mean very much."

TEVERTHELESS, John Schuerholz, the Atlanta Braves' gen-eral manager, did not see the current system as a solution. "The economic reality," he said, "is

that teams that operate in large markets and have more income, generate more revenue, sell more tickets, sell more sky boxes, sell more executive suites and get better support from corporate sponsors are going to have more money to spend. Teams that operate in the bulk of our markets, the mediocre size markets or small markets, aren't going to have that revenue."

formed the Cleveland Indians from a low-revenue team into a high-revenue. team, a potential payee into a payor, under the revenue-sharing plan. Teamslike Milwankèe, Pittsburgh and Montreal desperately hope new stadiums can work that kind of economicmagic for them.

A new park, Jacobs Field, trans-

But Melvin related the remark of another general manager that put the new stadium-as-panacea issue in perspective: "He said that is a short-term solution, but in the long term you'll justbe losing in a premier ball park." John Hart of Cleveland echoed that

view when he was asked what it would mean if the Yankees got a new stadium. "If the Yankees get a new stadium and enhanced revenues, it's going to be almost impossible," he said:
"You should see the Yankees every year in the playoffs and that's not good: for the game.

Alderson said the union would mostlikely become involved in trying to: find a solution to the problem when it becomes in the best interests of its membership.
"If they find that 80 percent of their.

players feel they're out of the pennant race even before the season starts, then; it's an issue that is common to both of Jim Bowden of Cincinnati su

ted grouping divisions by revenue, not geography. "Put Cincinnati in with Pittsburgh and Montreal and Florida,": the Reds' general manager said, "and let those teams have a permant race. It would be a better solution than clubs being eliminated on May 20."

Bruins Edge the Caps in Penalty-Packed Brawl

The Associated Press

in the final 30 seconds of overtime to you want but when you're out there give the Boston Bruins a victory over the Washington Capitals in a game that had six fights and 270 minutes in

The Bruins surrendered a 3-0 lead but pulled out a 5-4 victory Saturday as Allison scored his second of the

Burns, coach of the Bruins, referring The officials have to use some comto the brawls. "It's something that mon sense." goes back to last year's playoffs." The Capitals eliminated the Bruins in first period against the Capitals as Darthe first round of the playoffs last ren Van Impe and Dimitri Khristich

Ten Bruins and six Capitals were scored his first goal of the night. sent to the penalty box in the first period as 264 minutes in penalties on second-period goals by Chris Siand saw all of them ejected, including both starting goaltenders - Byron just outside the right circle. Dafoe of the Bruins and Olaf Kolzig

Kolzig said: "It's tough fighting your BOSTON - Jason Allison scored best friend. You can joke about it all it's tough to throw a punch at him. "I suppose if you go strictly by the rules, the ejections were proper," said

Harry Sinden, president and general

NHL ROUNDEP manager of the Bruins. "But suppose "You could feel it when we got a you have the same thing happen the big lead in the first period," said Pat next period: Do you call off the game?

> The Bruins took a 3-0 lead in the scored on power plays and Allison

But Washington cut the lead to 3-2 were handed out. That included a mon, his second of the season, and fight at 11:42 of the opening period Peter Bondra, his seventh. Anson that involved every player on the ice Carter gave the Bruins a 4-2 lead at in the offseason. 1:59 of the third period on a shot from

Brendan Witt and Steve Konawal-

scored with 52 seconds remaining in overtime to lead surging Phoenix over visiting Edmonton.

Avalanche 3, Canadiens 2 Valeri Kamensky scored at 3:06 of the third period to put Colorado ahead in Montreal. Peter Forsberg intercepted Vladimir Malakhov's clearing pass and slipped the puck to Claude Lemieux, who fed Kamensky.

Stars 3, Blues 3 In St. Louis, the Blues overcame a three-goal deficit to

tie Dallas. The Stars were without Brett Hull, who suffered a bruised kidney Friday night and did not make the trip to St. Louis. Many in the sellout crowd booed when Hull's name was included in the announcement of the players who were scratched from the game. Hull was one of the most popular players in Blues history before signing as a free agent with the Stars

Panthers 3, Devils 3 Rob Niedermayer scored the tying goal to cap a six-goal second period as visiting f the Capitals.

chuk scored third-period goals for the
Kolzig and Dafoe are friends and

Capitals to tie the game, 4-4.

Florida twice came from behind to tie
New Jersey.

Mike Johnson and Igor Korolev scored in the second period as the Maple Leafs snapped Buffalo's ninegame unbeaten streak. Sonators 4, Flames 1 Alexei Yashin

year as Ottawa beat visiting Calgary. Penguins S, Lightning 2 In Pittsburgh, Martin Straka scored twice as the Penguins extended Tampa Bay's losing streak to five games. Islanders 6, Predators 3 Robert

Reichel had a goal and two assists as the New York Islanders snapped a three-game losing streak with a victory in Nashville. Red Wargs 4, Canucks 2 Norm Maracle made 28 saves and Brendan

Shanahan scored his 10th goal as Detroit won in Vancouver Kings 5, Blackhawks 0 Jamie Storr. making his first start in almost six weeks, carned his third career shutout

iting Chicago. ngers 2, Sharks 2 Jamod Skalde got his first goal of the season to earn host San Jose a tie with New York.



Olaf Kolzig of the Capitals, left, and Byron Dafoe of the Bruins wrestling on ice.

هكذا من الأصل

SPORTS

By Peter Berlin

PARIS — On a day of hot heads and Fold hands, France allowed victory over Australia to slip through its frozen fin-The French ruggers led ar halftime, that John Eales, the Anstralian captain, leaked four penalties in the second half agree his team a 32-21 victory at the Stade de France near Paris on Sanday. A year ago, France lost, 52-10, to South Africa in Paris, The match on Saturday suggested that the European champion is closing the gap on the southern hemisphere teams. It dominated for much of the match, but failed

or in turn pressure into points. Australia, a bigger and more experienced team, was content to defend for long periods and let the French run the hall. Yet, when the Wallabies got near the French line they were dangerous. Daniel Wilson and Thomas Bowman.

a pair of forwards, scored tries in the eomers early on The French pack responded by seizing control of the game. Most of the first

half and the first 15 minutes of the second half were played in the Ans-ralian half. But France struggled to find witiger, made one searing break for a ry. Phillippe Carbonnean shoved over for a second try following a lineout. "Christophe Lamaison kicked the other points as France took the lead. Toutai Kefu replied with a buildozing by for the visitors.

In the second half, as the temperature ofell, France's running game was undermined by a series of dropped balls. Australia made a multiple substitution bringing on the forwards Wilie Ofa-hengase, Owen Finegan and Michael Foley — and finally gained the upper

discipline," said Raphael Ibanez, the

- French captain.

hand against the French pack. ... Where Australia had been largely unflappable in defense, the French gave way penalties under pressure.
We were made to pay for our lack of



Mauro Bergamasco of Italy trying to slow the England forward Martin Corry. England triumphed, 23-15.

England Edges Italy in Scrappy Battle

England, the home team, narrowly escaped a humiliating upset when it edged Italy, 23-15, in a scrappy rugby union World Cup qualifier in Hudders-

field on Sunday.
Will Greenwood exploited a fortunate bounce to score a late try to cement

INTERNATIONAL RUGBY

the victory and earn England the dubious honor of a first game against New Zealand in the finals next October. But the victory also means the English will play their games at their normal home sta-dium in Twickenham west of London. England was hanging on at 16-15

with two minutes to go after the accurate kicking of Diego Domingnez had brought Italy back from 16-6 down. The Italians also had an apparently good try disallowed because the officials did not have a clear view of the hell have a clear view of the ball.

Against the run of play, Greenwood collected the ball and kicked over the heads of two Italian defenders. The ball bounced awkwardly for the Italians but kindly for Greenwood and the England center crossed the line for the matchclinching try, which guaranteed Eng-

land top place in its qualifying group. Italy, which also had guaranteed qualification for the finals, conceded eight penalties in the opening 10

Paul Grayson kicked three penalties and winger Dan Luger scored a try as England built a 16-6 half time lead.

Dominguez, who scored all of his team's points with four penalties and a drop goal, pulled Italy back to 16-15 in the second half.

treland 53, Romania 35 Jonathan Bell scored two tries as Ireland won the other World Cup qualifying match this week-end, Saturday in Dublin. Both teams had already qualified for the finals by beating Georgia, the third team in the group. South Africa 35, Scotland 10 South Africa stretched its winning streak to 16

inburgh. The Springboks, who trailed 7-3 early in the game, caught up on a try by Stefan Terbianche and touched down four times in the second half through the efforts of Joost van der Westhuizen, Pieter Rossouw, Andre Snyman and

games with a victory Saturday in Ed-

Percy Montgomery kicked two penalties and two conversions. All the Scot-

tish points came from Duncan Hodge who had a try, conversion and penalty. Scotland debuted three players, including the Kiwi-born center John Leslie who was joined by his brother, Martin, as a substitute. Their father, Andy Leslie, used to captain New Zealand.

Wales 43, Argentina 30 In Llanelli, Wales, Colin Charvis, a flanker, scored two tries as the home team reasserted its superiority in the second half after throwing away a 20-point lead in the first.

Charvis and Mark Taylor, with tries, and Neil Jenkins, with his boot, had given the home side a 26-6 lead 13 minutes before halftime, but Argentina's forwards inspired a comeback and the visitors were down only 26-25 at the interval.

Agustin Pichot and Felipe Contepomi crossed the Wales try line and referee Alan Lewis awarded them a penalty try when Wales pulled down a scrum. In the second half, Charvis and Daffyd James scored tries as the Welsh reasserted their control.

Jenkins kicked five penalties and four conversions to become the secondhighest points scorer in international rugby, with 673. Michael Lynagh, now retired, scored 911. (AP, AFP, Reuters)

West Ham Victorious **Amid Rash of Upsets**

Villa, Manchester and Arsenal Fall Short

Compried to Our Staff From Desputches

West Ham United climbed to sixth place in the English Premier League on Sunday with a convincing 2-0 victory at Derby County.

John Hartson, a Welsh center-forward, put the Hammers in front with a neat side-footed goal after seven minutes, and the visitors controlled the match from then on.

Marc Keller scored his first goal for the club from outside the penalty area to seal the victory in the 72d minute. Eyal Berkovic, an Israeli midfielder, had an outstanding game.

The victory pulled West Ham within five points of Aston Villa, the league leader, following a series of surprise

results Saturday.

Villa remained three points ahead despite suffering its first league defeat of the season, a 4-2 loss at home to Liverpool. Robbie Fowler scored three goals for the visitors, and Stan Col-

lymore, a Villa striker and former Liverpool player, was sent off. Second-place Manchester United and third-place Arsenal also suffered reverses. United lost, 3-1, on the road against Sheffield Wednesday. Blunders by the United goalkeeper, Peter Schmeichel, and its center-half, Jaap

Stam, helped Sheffield to two goals. Arsenal lost, 1-0, at Wimbledon and also lost Patrick Viera and Dennis Bergkamp to injuries just four days before their European Champions' League

match against Lens. Roy Hodgson, the Blackburn Rovers manager, resigned after a 2-0 home defeat at the hands of Southampton that dropped his team to the bottom of the

bach won for the first time in 12 matches Sunday, defeating Freiburg, 3-1.
It was the club's first victory under

GERMANY Borussia Moenchenglad-

Coach Rainer Bonhof, a star player when the team dominated German soccer in the 1970s. Michael Klinkert, Matthias Hagner and Peter Wynhoff scored for 'Glad-

bach, which remained last in the Bundesliga despite the victory. Hertha Berlin handed visiting Bayern Munich its second defeat of the season

Hertha took the lead playing with only 10 men. Michael Preetz scored the goal in the 68th minute. Dick van Burik, a Hertha defender, had been sent off in the 60th minute.

The league leader, weakened by the absence of Siefan Effenberg, who was injured, began without the Brazilian striker, Giovane Elber, who had just flown in following the midweek victory by Brazil over Russia. He came on for the final 30 minutes.

Bayer Leverkusen, which is in second place, destroyed Bochum 5-1. SCOTLAND Celtic crushed Rangers, its bitter Glasgow rival, 5-1 to revive its pursuit of the Scottish league title.

Celtic, the defending champion, had slipped 10 points behind Rangers before the game Saturday but it made the most of its chances when Scott Wilson, a Rangers defender, was sent off after 22 minutes for a foul on Lubomir Morav-

Moravcik, a 33-year-old Slovak midfielder signed recently from Duiburg, scored twice, as did Henrik Larsson, a Swedish striker, Mark Burchill, a Scottish teenager, scored the other goal.

AFRICA Esperance of Tunisia built a 3-1 lead over Premiero de Agosto of Angola in the first leg of the African

Cup Winners' Cup final. Muanza Teka put the Luanda military club ahead in Tunis on Saturday, but Radhi Jaidi, Ayadi Hamrouni and Sami Laroussi replied for Esperance. (Remers. AP, AFP)

■ Sheffield Coach Is Arrested

Sheffield United won its English first division encounter at Queen's Park-Rangers on Saturday but lost John Deehan, its assistant coach, after he was arrested and spent the second half in a police station, Agence France-Presse reported from London.

Deehan was escorted from the stadium shortly after the expulsion of a United player, Petr Katchouro. Deehan had previously been warned to remain in his dugout by a police officer.

He was arrested for using "threatening words and behavior," an offense under the Public Order Act, Deehan was released on bail Sunday but faces a hearing Dec. 17.



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FOOTBALL

Penn 35. Cornell 21 Princelon 35, Dorland Southern Meth. 24, No.

Purdue St. Indiana 7 Cidutoma 20, Texas Tech 17 Cidutoma St. 24, Baylor 10

San Diego St. 34. Texas-El Paso 29 Stanioni 10. California 3 Texas Christian 41, UNLV 18

BASKETBALL

U.S. COLLEGE SCORES FREDAY RESULTS

THE AP TOP 25 No. 1. Stanford (2-0) def. SW. Altenouri St. 76-61. No. 5. Michigan St. 2-1) lost to No. 7 Temple (4-0) 40-59. No. 6. Maryland (3-0) def. Holstru 89-59. No. 12. Oktobern St. (3-0) def. Holstri 89-53. No. 19. Arluman (3-0) def. Virginio 85-82. LEADANO COLLIGE SCOTES

Novy 85, Northeastern 72
Florida 22, Florida 52, 66
Georgia Tech 72, The Chadel 50
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[lithols 70, Solini Research Buttern Clarates Florida 76, Solini Research Buttern Clarates Florida 76, Solini Research Buttern Clarates Clarates Changes Clarates Changes Changes Clarates Changes Changes Clarates Changes Changes

SATURDAY RESULTS
THE AP TOP 25
No. 1. Duke (2-6) def. S. Carolina St. 120-56.
No. 2. Rasses (2-6) def. Fort Hoys St. 91-67.
No. 14. Xavier (2-6) def. Chloogo St. 90-50.
No. 19. Artenson; (4-6) def. New Manico St. 66-60. LEADERS COLLEGE SCORES

Baston College 62, Montroutis, N.J. 44
Colgain 83, Destroutis 66
Cornell 69, Bordanell 56
Georgetown 69, Granibiling St. 61
Providence 58, Tessas-Pon American 78
Quinniploc 54, Columbia 32
LSU 54, Michiesse St. 39
Mensphis 90, NE Louisions 80
Allostatippi St. 75, Northwestern St. 46
N. Carolisto St. 61, Coestal Carolisto 56
Cld Depulation 72, N.C. Charlotte 56
Cld Depulation 72, N.C. Charlotte 56 Old Dominion 72, N.C. Charlotte 56 Princeton 61, N.C.-Wilmington 54, OT Vanderbill 68, Notre Dame 63 Water Forest 81, Marcer 66 Indiana St. 64, Butler 44 Minneuata 81, Appolachion St. 67 Northwesters 68, Caldoos, Mich. 30 Oktobomo 68, Coppin St. 42 South Florida VI, 1 exces /o Texas Christian 75, Texas-El Paso 70 Air Force 74, Colo,-Colo, Springs 64 Tales to 62 I made Marymough 86

ise St. 93. Layota Marymount 86 ppendine 52. Lang Beach St. 48 Peppendine 52. Long Bench St. eo St. Marys, Col. 66, Socramento St. 52 Westmont 54. UC Sanda Borbaru 53 Folifield 93, George Masson 91

Layela, Mal. 76, Towson 67

Conf. Connecticut St. 88, New Horopshire 74 St. Joseph's 94, USDBL All-Stors 85 FREDAY RESULTS He. 19 Rutgers (2-1) lost to Colorado St. 71-60. He. 17 Kanton (1-1) del. Alessochusetts 58-69. No. 18 Arkanton (3-1) del. S. Alebearo 95-50. No. 20 Facilia (2-1) del. Indicon 72-67. No. 22 CC Santo Barbaro (1-1) lost to No. 25

ור רט ההרערט בור באטיקטומה יי אה עין בע אבע ל אם בע שבע באר בור שומה באטיקטומה יי אה עין בע אבע ל בא שני שומה באטיקטומה בי אה עין בע אבע באר בור שומה באטיקטומה בי אה עין בע אבע באר בור שומה באטיקטומה בי אה עין בע אבע באר בור שומה באטיקטומה בי אה ביין בע און באטיקטומה ביין בא באיני באיני

on Saturday, 1-0.

CRICKET

FIRST ASHES TOST, THIRD DAY SUNDAY IN BRUSBANE Asstratio: 485 all-out England: 299 for four

FOUR-DAY MATCH, THIRD DAY IN BLOEMFONTEIN, SOUTH AFRICA West Indies: 316 and 188 Free State: 67 and 412-8

PAKISTAN YS. ZIMBABWI SECOND ONE-DAY INTERNATIONAL Pakistan: 211 in 50 overs
Zimbobwa: 212 for four in 40.4 overs
Zimbobwe won by six wickets.

GOLF

DUNLOP PHOENIX

tournament on 6,846-yard, par-71 Phoenix Country Club course in Miyezaid, Japan (Japanese uniese stated Lee Westwood, Eng. Dorren Clurke, N. Irl. Noomich! "Joe" Ozuk! 69-71-64-72-276 70-69-71-67-277 71-70-65-71-277 69-70-66-72-277 Shigeki Maruyama M. "Jumbo" Ozoki Jeff Skymon. U.S. Tatsa "Jef" Ozoki

75-69-66-69—279 69-69-66-75—279 70-73-69-68—280 69-71-71-69—280 Fred Funk, U.S. Hidemichi Tongka 70-71-70-69—280 71-67-70-72—260 WORLD CUP OF GOLF

World Cup of Golf final scores on par-72

World Cup of Golf Smit scores on par-72 courts in Aucidand, Navr Zeeland (sagragate stroloplay):

1. England (David Corter 298, Nick Folda 280) 368; 2. Italy (Costantino Rocca 280, Massino Fibriol 270) 571; 3. Augentina (Angel Cobesto 284, Ricardo Goscolez 287) 5714. Scotland (Colim Montplomente 284, Andrew Collor 287) 571 and U.S. (John Doly 292, Scott Verplank 279) 571 ft. Ireland (Podralg Horintglon 287, Poul McCinkey 255, 572; 7. New Zedond (Frank Noble 291, Greg Tumer 282) and Zimbobere, IMARI, McKinky 285, Tory Johnstone 288) 573; 8. Australia (Peter O'Malley 283, Richard Grego 271) 574:9. Spoin (Sasting Lune 290, Miguel Angel Marin 289) 579; 10. Sweden (Polifit Spicard 282, Marthus 299, Yasuharu Imana 281) 580.

RUGBYUNION World Gup Qualifying

treiand 53, Romania 35 GROUP 2 England 23, Italy 15 TEST MATCHE Scalina d 10, South Africo 35 Weles 43, Argentina 30 France 21, Australia 32

> SKIING WORLD CUP

SATUMBAY OF PARK CITT, UTAM

1. Ursko Hrovd, Slovenia, 1 min., 36.91 sec.

2. Solohe Egger, Austria, 1:37.29

3. Jegleo Kastelic, Crootia, 1:37.40

4. Pernille Witers, Sweden, 1:37.43 4. Pennilla Wibers, Sweden, 1:37.43
5. Trine Boldta, Norway, 1:37.79
6. Alenta Dovzan, Slowenia, 1:37.91
7. Zoli Staggoli, Australia, 1:28.07
8. Nataca Bolori, Slovenia, 1:38.10
9. Deberah Compagnani, Italy, 1:38.12
10. Yiva Nowen, Sweden, 1:38.27
OVERALI, Lather 2 avendal: 1. Alexandra Melesnitrer, Austria, 190: 2. Andrine Flemmen, Norway, 1:69, 3. Houst, 1:45; 4. Kostelic. 132: 5. Martina Erik. Germany, 127); 6. Compagnani, 89: 7. Anja Paerasen, Sweden, 84; 8. Egge, 80: 9. Birgill Heeb, Liechtenstein, 75: 10, Ogrime Ray Bellet, Switzerland, 66.

MEDI'S GIANT SLALOM FREDAY PARK CITY, UTAK 1, Stefan Ebernaries, Austria, 2 min., 14.75 soc. 2. Christian Mayer, Austria, 215.27 3, Marco Buechel, Liechberstein, 215.68 3. Marro Buechet, Llecthenstein, 2:15.68 4. Kjelf Andre Aarnoth, Norway, 2:15.83 5. Pohrick Holzer, Haly, 2:15.98 6. Jens Kosk, Stovenia, 2:16.05 7. Slegfind Vogleder, Austria, 2:16.06 8. Bede Müler, Franconia, N.H., 2:16.12 Losse Klas, Norway, 2:16.12 10. Michael Von Grüsnigen, Switz, 2:16.17.

10, Corinne Ray Bellet, Switzerland, 66.

SOCCER PSV Eindhoven 5, Utrecht ()
Sparka Rotterdam (), AZ Alkanoar ()
RKC Wantwiff, (), Ajox Amsterdam () Feyenoord 4. Combuur Leeuworden 0 NAC Breda 1, Fortuna Sifford 1 RAC Bredo J.C Kerkrade 3, Viesse Amhem I Graafschap Doelinchem I. Hecrenween Twente Enschede 5, Willem II Tilburg 1 AKVV Maastricht 0, NEC Nämegen 3

STANDINGS: Feyencord 32 points: Aigs Amsterdom 31: Heerenveen 29: Twente En-Amsterdam 31; Heerenveen 27; I wente Lt schede 28; Wiesse Amhem 2a; Rode J Kerkrade 24; NEC Nijmegen 23; PSV Eind hoven 25; Willem II Tilburg 22; AZ Alkmad 20; MVV Midasthchi 17; Grandfschap Dor inchem 16; Ulrecht 15; Sparta Ratterdam 12;

NAC Bredg 10: Combour Leeuworden Fortung Sitterd 10: RKC Weekvill &. **ENGLISH PREMIER LEAGUE** Derby County 9, West Hom United 2

Aston Vitia 2. Liverpool 4 Blackburn 0, Southamph Leeds 4. Charlian 1 Leicester 2. Chelsea 4 Middlesharush 2. Casani Middlesbrough 2, Coventry 0 Sheffield Wednesday 3, Manchester Tattenham 2, Nottingham Forest 0 Wimbledon 1, Arsenal 0

Wimbledon 1, Arsenal 0
a Tanennerse Asian Villa 28 points:
Munchester United 25: Arsenal 24; Chefsea
23: Leeds 23; West Hom 23: Middlesbrough
25: Wimbledon 20: Liverpool 19; Tottenbon
19; Derby 18; Leicester 17: Charton 14; Newcostio 16: Sheffield Wednesday 15: Coverhy
14; Everton 12; Nothingham Forest 10;
Southampton 10: Blackburn 9.

FRENCH FIRST DIVISION
Sochum 1, Strosbourg 1
Paris-51 Germain 2, Rennes 1
Nortes 1, Montpeller 1
Lorient 1, Toulouse 0

GERMAN BUNDESLIGA GERMAN BUNDESHOA
EInfacti Frankfurt D, Werder Bramen 2
Schatte 2, Duisburg O
VfL, Bochum 1, Bayer Laverkusen 2
FC Nuremberg 1, VfL Wolfsburg 1
Hertho Berfin 1, Bayern Munich D
VfB Styttgart 1, Hansa Rostock 1
1860 Munich D, Hamburger SV 0
FC Keisenglushon 1, Brussin Doctmund

VIB Stringart I, Harss Rastock I
1860 Munich Q, Hamburger SV 0
FC Koiserslautern I. Barussia Dortmund Q
Borussia Moenchenglodboch 3, Freiburg I
*TAMDINAS« Bayern Munich 31 points«
Bayer Leverlausen 29: 1860 Munich 27: FC
Koiserslautern 27: VFL Wolfsburg 21; Hertha
Berlin 20; Borussia Dortmund 19: Hamburger
SV 18: VFB Sturtigart 17: VFL Bochum 17:
Eintrocht Frankfur 16: SC Freiburg 15: MSV
Dulsburg 15: Scholke 14: FC Nuremberg 14:
Harting Rostock 11; Warder Bramen 10:

ITALIAN FIRST DIVISION Florentino 3, Inter Allian 1 Juventus 0, Empoli 0 Salemituna 1, Venezia 0 Santodaria O. Vicenza O Bologna 1, Perugia 1 Cogliari 1, Parma 0 AS Rome 1, Bari 1

Bari 13: Udinese 13: Perugio 12: Sampdoria 12: Placenza 11: Empoli 10: Vicenza 10: SCOTTISK PREASON LEAGUE
Aberdeen 0. St. Johnstone 1
Cellic 5. Rongers 1
Dundee United vs. Dundee. ppg.
Hoarts 2. Dundermäne 1
Kilmamock 0. Motherwell 0

18; Juventus 18; Parma 14; Milan 15; Cogliari 14; Balogno 14; Internazionale 14; Lazio 13;

SPANNSK FIRST DIVISION Departivo La Coruna 2, Villarreal 1 Salamanco 1, Extremoduro 2 Real Sociedad & Real Zargasza & Aloves 2, Celty Vigo D Mallorco 1, Barcelona O Oviedo G, Regi Belis 1 Valencia 3, Regi Madrid 1

panyol 12: Alaves 12: Salamanco 11; Exro 11; Villarreol 10: Tenerije 10.

APRICAN CUP WINNESS CUP-FINAL, FIRST LEQ Esperance, Tunisia 3, Primiero Agosto, An-

TENNIS CHASE CHAMPIONSH

Martina Hingis (2), Switzerland Pierce (6), France, 7-6 (7-4), 6-4. SEMFINALS ort det. Steffi Grof, Ger. 6-1, 2-4, 6-3

Nothalie Tauzlat and Alexandra Fusal, France (4), def. Yayuk Basuki, Indonesia and Caroline Vis. Netherlands, 6-2, 3-6, 6-3.

ATP DOUBLES CHAMPIONSHIP IN HARTFORD, CONN.

Jacco Ellingh and Paul Haarhuis, Nath-erlands (1), def. Mark Woodforde and Todd Woodbridge (3), Australia, 7-6 (7-3), 6-4.
Olivier Delatire and Fabrice Santoru, Fr.
(7), del. Ellis Ferreira, S. Africa, and Rick Leach, U.S., (5), 7-6 (7-1), 4-4, 7-4 rch U.S., (5), 7-6 (7-1), 4-6, 7-6 (7-3).

Leach, U.S., (5), 7-6 (7-1), 4-6, 7-6 (7-3).

GOLD GROUP

Joshua Eagle and Andrew Florent, Australia, def. Mark Knowles, Bahamas and Dantel Nestro, Conada (4), 7-6 (7-5), 6-0.

Don Johnson, U. S., and Fransisco Montora, U. S., (8), def. Sandon Stalle, Australia, and Cyril Suk. Czech Republic (6), 6-7 (6-8), 7-6 (7-5), 7-6 (7-4).

SEMIRALS
Ettingh and Hoarhuis def. Johnson, and Vantura (8), 7-6 (7-1), 6-4.
Knowles and Newton 6-4. toro (7), 4-6, 4-2, 6-3.

VOLVO WOMEN'S OPEN IN PATTATA, THAILAND SEMETHALS Julie Halard Decugis (2). France def. Kristina Brandi, Bradenton, Fla., 6-0, 6-1. Li Fang (5), China, def. Silvija Talaja, Croatia, 6-3, 6-3.

TRANSITIONS

RASSRALL MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE
BALTIMORE—Bought controcts of C Chip
Alley, IMF Ivanon Coffie, IMF Jesse Garcia,
LHP Carios Medina and RHP Gabe Moltina
from their minor-league teams.
CHICAGO WHITE SOX—Claimed RHP
Dwayne Jacobs of waivers from Altanta, Added P Kevin Betrne. P David Lundquist, OF
MCKay Christensen, 1B Jeff Liefer and C
Josh Paul to roster.
CLEVELAND—Released LHP Jason Jacanne, Added LHP Jimmy Hamilton, RHP Wilfie Martinez, RHP Richard Negraths, RHP
J.D. Brammer, S John McDonald and OF
Danny Peoples to the roster.

BETFORT—Bought contracts of RHP Dave
Borkowski and IMF Carles Volkalobes from
Jackscowills \$1,>
R.Y. YAMKERS—Designated RHP Joe
Borowski for assignment, Bought contracts of

Borowski for assignment. Bought controcts of SS D'Angelo Jimenez and RHP Luis De-LosSantos from Columbus IL

Lossanios from Columbus IL

QAKLAND—Agreed to terms with RHP Tim
Worrell on 1-year confinate, Bought contracts of
38 Dimedo Soenz Irom Colgory, PCL, C Danny
Artoix, OF Mario Encornacion, RHP Buret
Laxion, INF Jose Oritz from Huntsville, SL,
and RHP Carl Orice and RHP Luis Vizcolno
from Modesta, CL. Sent RHP Tom Bennett
and C George Williams to Edmonton, PCL
seatTLE—Wolved RHP Bob Wells and
LHP Tim Davis, Designative OF Ryam Radmonovich for ossignment, Collmed OF Kerny
Rabinson off walvers from the Tampa Boy.
Added LHP Brian Fuentes, RHP Agron
Scheffer, RHP Dennis Stark and RHP Com
Smith to rostor.

Scheiter, KHP Dennis Stark and RHP Corn Smith to roster.

YEMAS—Bought contracts of RHP Dentick Cook. LHP Doug Davis. LHP Mike Venatra and 18 Shown Gallagher from Oktohom Chy, PCL. Bought contracts of LHP Carey Lee, C Cesar King. SS Kelly Dransfeldt. OF Ruben Mateo and DF Mike Zywka from Tukia, TL. Claimad INS. (as Shown of Sweken From Mile.) Notice and of Place Lymb Intelligence (Colleged INF Jon Shake off Walvers from Minnesota, Assigned RHP Mark Brandenburg and OF Scarborough Green to Oklahama City, PCL. Agreed to terms with RHP Eric Moody.

NATIONAL FOOTBALL LEAGUE
NEW ENGLAND—Put WR Vincent Brisby on
injured receive Ret. HOGGT

MATIONAL HOCKEY LEAGUE

NHL—Suspended Washington LW Richard

Zenthik for 4 games and fined him \$1,000 for
high-afficking incident with Terosto Leafu D

Danik Monkey in gome on Nov. 18.:

ANA WELL Despited Day Comp. D Danik and C Josef Marina from Cincinnation
FLORIDA—Recalled LW Dwayne



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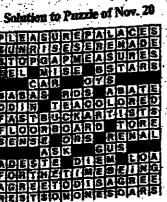
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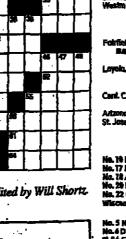
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See our Friendships every Saturday in The Intermerket





SATURDAY MESULTE No. 5 N. Careftee (5-8) del, Fordham 92-50, No. 6 Date (1-3) jost la No. 11 Nothe Dame Co-m 94-57. 0) 84-57. No. 12 Tours Tech (1-1) lost to No. 15 Old Dominion (2-0) 85-64. No. 16 N. Carolina St. (3-6) def. N. Carolinarille 93-25.

Herald Eribune SPORTS

World ROUNDUP

Deal for Yankees Reportedly Agreed

BASEBALL George Steinbrenner has agreed to sell the New York Yankees to Cablevision Systems for about \$600 million under a deal to take effect Jan. 1, according to

Steinbrenner will continue to run the tearn under the agreement, the American network said Saturday. Cablevision owns Madison

Square Garden and the New York Knicks and New York Rangers. The purchase of the Garden and its properties included MSG Network. which paid the Yankees \$486 million over 12 years for broadcast



Mark Butcher of England hooking the ball for four runs. He was dismissed for 116.

Butcher Steadies England

CRICKET Mark Butcher made 116 as England fought back Sunday on the third day of the first test match against Australia in Bris-

The visitors advanced to 299 runs for four wickets in reply to Australia's first innings total of 485

before rain stopped play.

• Zimbabwe gained its first one-day victory on Pakistani soil Sunday in Sheikhupura. Pakistan batted first and was all out for 211 in ine suin over.

Zimbabwe reached the target for the loss of four wickets in 40

Frenchman Wins Slalom

SKHNG Pierrick Bourgeat won the first World Cup race of his career Sunday, when he won the opening slalom of the season in Park City, Utah. He finished 0.42 ahead of Hans-Petter Buraas of Norway. Bourgeat had been 14th after the first run.

Fiorentina Maintains Lead With 3-1 Victory Over Inter

Ajax Reaches 2d Place in Dutch League; Mallorca Wins

ROME - Fiorentina fought back to beat Inter Milan, 3-1, Sunday and remain atop Serie A. Inter took the lead in Florence after just three minutes when Roberto Baggio, making just his second start of the season because of knee-tendon problems, was brought down in the penalty area by Francesco Toldo, the Fiorentina goalie. Youri Djorkaeff then scored on the penalty kick.

Fiorentina tied the score within two minutes, as

English and Bundesliga results. Page 21.

the defender Pasquale Padalino slammed in a loose ball when Inter failed to clear following a corner kick. Gabriel Batistuta put Florence ahead, 2-1, with his league-high 11th goal of the season. The Argentine striker drove a low, free kick through the defensive wall in the 16th minute.

Jorg Heinrich, a German defender, finished the scoring in the 75th minute with his first goal in

Inter played without several injured players, including three attackers: Ronaldo, Nicola Ventola and Francesco Moriero. Baggio left after 68

"My team was balanced and intelligent - we fully deserved this victory," said Giovanni Trapat-toni, the Fiorentina coach who led Inter to its last league title, in 1989. "If we keep playing like this, we can fight for the title." The victory moved Fiorentina three points ahead

of AS Roma and Juventus of Turin, the defending champion, which played a drab 0-0 draw with Empoli.

"It was ugly," said Marcello Lippi, the Juventus coach, after his club was shut out for a second straight game. "We didn't play well and

failed to create any scoring chances."

The Turin club has not scored since its star striker, Alessandro Del Piero, went down with a season-ending knee injury. Empoli, tied for 15th place, was more dangerous in attack but wasted three golden scoring chances in as many minutes

early in the second half.

Roma rallied for a 1-1 draw with Bari on Saturday in a game that generated controversy Sun-day. Francesco Totti, the Roma captain, admitted that he fell to the ground on purpose to draw the penalty that gave Roma a draw.

With nine minutes to play, Livio Bazzoli, the referee, called the foul when Totti went down just inside the penalty area after light contact with Rachid Negrouz, Bari's Moroccan defender. Roma was trailing 1-0 at the time.

"I was ahead of Negrouz and, as soon as I felt

contact. I threw myself to the ground." Totti said.
"The referee could have given the penalty or let the action continue. Maybe the fact that we were losing had an influence.

METHERLANDS Ajax moved up to second in the Dutch league with an unconvincing 1-0 victory over RKC Waalwijk, the last-place team.

The winner came in the eighth minute when Ajax's most experienced player, Danny Blind, was

set up by its least experienced player, the teenage striker Brutil Hose, who was playing his second

Bobby Robson's fast-improving PSV Eind-hoven dismissed FC Utrecht, 5-0, on an extremely slippery field. Abel Xavier, a Portuguese defender, aded PSV in front at the 22-minute mark from a free kick, but the match turned on an incident that occurred a minute before the break.

Bernard Schuiteman, a defender making his debut for Utrecht after his recent transfer from Feyenoord, pulled down Raud van Nistehooy in the penalty area. Schuiteman got a red card and Van Nistelrooy got up to convert the penalty. Robert Fuchs, Van Nistelrooy and Gilles de Bilde completed the scoring.

Feyenoord, the league leader, beat Cambuur Leeuwarden, 4-0, on Saturday night. SC Heer-



Jorg Heinrich of Fiorentina, right, defending Sunday against Aron Winter of Inter Milan.

enveen, which started the weekend in second place, drew, 1-1, at De Graafschap Doetinchem.

SPAIN Real Madrid, Barcelona and Celta Vigo all lost Saturday as Real Mallorca regained first place. Sergi Barjuan, a Barcelona defender, scored

an own goal to give Mallorca a 1-0 victory.

Celta, which started the weekend unbeaten and in first place, lost, 2-0, to struggling Alaves. Claudio (Piojo) Lopez, an Argentine striker,

scored twice as Valencia beat Real Madrid, 3-1. On Sunday, Deportivo downed Villarreal, 2-1, while Salamanca beat last-place Extremadura by

In the highest scoring match of the weekend, six players scored for Aletico Madrid as it thrashed Valladolid, 6-1. (AP, AFP, Reuters)

■ Juventus Wants Venue Changed

Juvenius players demanded Sunday that tiff European Champions League match against Car-atasaray not be played in Istanbul, as scheduled, Agence France-Presse reported from Turin.

The Italian and Turkish governments are at

loggerheads because Italy is considering giving political asylum to the Kurdish rebel leader Abdullah Ocalan. The crisis has whipped up anti-Italian sentiment in Turkey.

UEFA the governing body of European soccer,

is to make a decision on Monday. Gianni Agnelli, the Juventus owner, urged UEFA to spare his team the trip to Istanbul. "There is clearly a risk," Agnelli said.

Carter's Putt **Seals Victory**

For England The Associated Press

WHANGAPARAOA, New Zealand
- David Carter made a birdie putt on the 18th hole to cap a 4-under-par 68 and clinch England's first World Cup of Golf title.

final-round 69, finished with a total of 568 strokes, two better than Italy.

The United States, Scotland and Argentina tied for third at 571 strokes for the four rounds on the 6,850-yard Gulf Harbor Country Club course. Carter and Faldo collected \$200,000

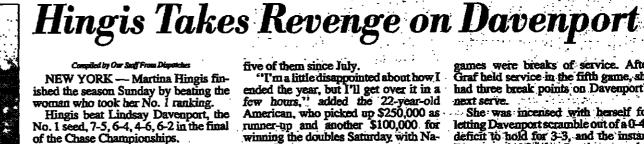
each from the total purse of \$1.5 mil-

Carter, who won his first European PGA Tour event this year, took some pain medication and went through a session of physiotherapy each day of the tournament because of a rotator cuff problem in his right shoulder.



David Carter celebrating his birdie putt that gave England victory.

"I said to myself, "Well this is it, this is your first chance to win it," " he said. Scott Verplank of the United States shot a nine-under 63 Sunday to match the course record set hours earlier by Patrik Sjoland of Sweden. Verplank finished as the individual champion with a nine-under 279 total, one stroke ahead of Faldo and Costantino Rocca of Italy, who closed with a 70.



Hingis ended a six-month title

drought with a convincing victory to claim one of the few big titles she had With the victory, Hingis avenged her player who last month also took over the

top ranking that Hingis had held for 80 consecutive weeks. 'She kicked me out of the top spot but I'll be definitely fighting for it next year," said the Swiss teenager after accepting her trophy and a check for

\$500,000. Hingis finished the year with five titles, including the Australian Open, and \$3,175,631 in tournament earn-

'It's been a great year, especially the last six months," said Davenport, who won a tour-leading six titles in 1998,

five of them since July.

"I'm a little disappointed about how I ended the year, but I'll get over it in a few hours," added the 22-year-old American, who picked up \$250,000 as runner-up and another \$100,000 for winning the doubles Saturday with Natasha Zvereva.

On Saturday, Davenport ended Steffi Graf's 12-match, two-tournament tear. Davenport poured on the pressure in the final stages of their semifinal and ontworked the German, 6-1, 2-6, 6-3.

The match took one hour, 37 minutes to resolve and turned on the sixth game of the final set when Graf, who seized just five of the 14 break opportunities she was allotted, let Davenport escape from a 0-40 deficit.

"I gave it everything I had in the past 7). three weeks, and that was a lot; in the end, I guess it was a little too much," said Graf, who said her footwork deteriorated after she pulled a muscle in the back of her right thigh during that all-important sixth game. "Sure, I'm

disappointed." In the decisive third set, the first four Graf held service in the fifth game, she had three break points on Davenport's next serve.

She was incensed with herself for letting Davenport scramble out of a 0-47 deficit to hold for 3-3, and the instant Davenport's forehand winner ended that game, Graf bustled to the sidelines and summoned a trainer to tape her right

777

Then, after saving one break point ted a forehand on Davenport's second break opportunity, and the limping Californian took a 4-3 lead that turned out to be pivotal when she backed it up with an ace at game point for a 5-3 lead.

Hingis beat Irina Spirlea, 6-2, 7-6 (9-Hingis ripped through the first set in 22 minutes. In the second set, Spirlea won five consecutive games for a 5-1 lead before Hingis matched her with a

five-game streak of her own. ...

Spirlea led 6-4 in the tie break, but she made a series of errors on her backhani to allow Hingis to win. (AP, NYT)



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